

**Community Environmental Monitoring Program
Non-Endowed Fund Agreement**

Between

The Marquette County Community Foundation

And

**Kennecott Eagle Minerals Company
(doing business as Rio Tinto Eagle Mine)**

THIS FUND AGREEMENT (“Agreement”) made and entered into on 10th day of September, 2012, by and between the Marquette County Community Foundation (“Foundation”) and Kennecott Eagle Minerals Company (“Donor” or “Eagle”). The Donor hereby creates a non-endowed fund with the Foundation through this Agreement to support the Rio Tinto Eagle Mine Community Environmental Monitoring Program.

The Foundation is a nonprofit Michigan corporation exempt from taxation under Internal Revenue Code (“Code”) section 501(c) (3), a public charity described in section 170(b)(1)(A)(iv) of the Code, and accordingly is an appropriate institution within which to establish such a charitable non-endowed fund.

The Foundation hereby creates a pass-through fund subject to the terms and conditions of this Agreement; and

The parties agree as follows:

1. **NAME OF THE FUND**

There is hereby established, in the Foundation, the Eagle Community Environmental Monitoring Program Fund which will be so identified by the Foundation in all relevant literature, reports, promotional material and other public documents.

2. **PURPOSE**

Eagle seeks to build public confidence in the environmental management of the operations by establishing independent community monitoring of its environmental performance. Superior Watershed Partnership (“SWP”) is a non-profit organization that is committed to monitoring and protecting the waters of the Upper Peninsula and has the experience and expertise to implement the Community Environmental Monitoring Program. SWP’s implementation of the Community Environmental Monitoring Program will be conducted independently of any influence by any other party. “Community monitoring” means science based monitoring where professional staff, trained and qualified in the relevant discipline, conduct the monitoring. The Community Environmental Monitoring Program will reflect the following principles:

- a. Science based and standards based monitoring
- b. Independence
- c. Credible and comprehensive
- d. Scaled to the size and scope of the Eagle operations.
- e. Transparent to the public.

3. **GIFTS**

The Eagle Community Environmental Monitoring Program Fund (“Fund”) includes monies donated to the Foundation by the Donor or any other person or entity when directed to be included in the pass-through fund and accepted by the Foundation. All gifts to the Fund shall become irrevocable once accepted by the Foundation. It is anticipated that gifts to this Fund will be intended to be available for current grant making. It is understood that this is not a permanently endowed fund.

4. OPERATION

Eagle will pay for the independent community environmental monitoring by giving funds to the Foundation pursuant to the Community Environmental Monitoring Program Agreement (“CEMP Agreement”) between Eagle and the SWP. The CEMP Agreement sets out how the Community Environmental Monitoring Program will be implemented.

SWP implements the Community Environmental Monitoring Program pursuant to the terms of the CEMP Agreement that establishes the procedures and standards for the Community Environmental Monitoring Program. The CEMP Agreement and its Exhibits are attached as Exhibit A hereto. In the event of any conflict between the terms of the CEMP Agreement and this Agreement, the terms of this Agreement shall control except in the case where:

- a. The CEMP Agreement is terminated pursuant to Section 13 of the CEMP Agreement,
or
- b. There is a reserve fund remainder under Section 13(f), those provisions shall control

5. COMMUNITY ENVIRONMENTAL MONITORING PROGRAM BOARD (“CEMP BOARD”)

Five independent community members act as volunteer members of the CEMP Board to oversee the Community Environmental Monitoring Program.

- a. The Foundation Board (“MCCF Board”) will select a member who will Chair the CEMP Board.
- b. The Keweenaw Bay Indian Community will be invited to select a member representing Anishnabe Nations.
- c. The MCCF Board will select one member from each of the following sectors:
 - i. Environmental sciences
 - ii. Mining
 - iii. Community at large

The MCCF Board will select the members that it appoints based upon the criteria listed in Exhibit B hereto. The MCCF Board may seek the assistance of Stang Decision Systems (“Stang”) in making its selection of the CEMP Board members. Stang will advertise the CEMP Board positions in community print and electronic media, will use a standardized application form to accept applications, and will provide the MCCF Board with a ranking of the best qualified applicants for each position based upon the qualification criteria listed in Exhibit B hereto.

6. FUNCTIONS OF THE CEMP BOARD

The CEMP Board overseeing the Community Environmental Monitoring Program will perform the following functions:

- a. Oversee funding of the Community Environmental Monitoring Program non-endowed Fund by Eagle;

- b. Ensure that the Community Environmental Monitoring Program is implemented consistent with the requirements, standards and procedures in the CEMP Agreement and Attachments;
- c. Resolve disputes that may arise between SWP and Eagle regarding implementation of the Community Environmental Monitoring Program through use of the dispute resolution processes contained in the CEMP Agreement.
- d. Convene meetings requested by SWP or Eagle, including meetings to resolve disputes arising under the CEMP Agreement.
- e. Ensure that any third party funding of the Community Environmental Monitoring Program complies with the procedures and standards established in the CEMP Agreement.
- f. Provide community information about the Community Environmental Monitoring Program and the structure to protect the independence of the community monitoring.
- g. Operate according to the CEMP Board bylaws (Exhibit C hereto).

The MCCF Board may approve payment of CEMP expenses if for some reason the CEMP Board is unable to do so.

7. THE FUND

- a. The Fund will be the property of the Foundation. The Community Foundation may commingle the property of the Fund with the property of other component funds held by the Foundation, provided, however, that the separate identity of the Fund will be maintained and distributions from the Fund will be clearly identified as such to the grantees. A report of the Fund balance and relevant receipts and disbursements will be made by the Foundation to Eagle on a semi-annual basis. The annual external audit of the Foundation will be available upon request from Eagle.
- b. It is agreed that all assets held in the Fund will be subject to the Articles of Incorporation and Bylaws of the Foundation, including the power contained therein for the governing board to modify, *cy pres*, any restrictions or conditions on the distribution of funds for any specified organization if, in its sole judgment, those restrictions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.
- c. All funds remaining in the Fund at the end of the current funding period will be carried over to the next funding period, as designated in the CEMP Agreement. The Eagle contribution for the next funding period may be reduced by the carryover funds.
- d. If the Community Environmental Monitoring Program ceases to exist and monies for that project remain in the account, the Foundation may allocate those monies to a similar activity. Eagle will have one year from the termination of the monitoring program to re-establish an alternate community monitoring program. If all programs cease to exist, the Foundation, with written agreement from Eagle, will allocate the remaining monies to an existing permanently-endowed fund of the Foundation or a

new permanently-endowed fund whose purpose will be determined by the Foundation and Eagle.

- e. The pass through fund will be charged a 5 % administrative fee. As a non-endowed fund the 5% fee will be charged on each deposit made to the fund upon receipt of the deposit.
- f. Eagle will reimburse the Foundation for all direct recruitment costs for the CEMP Board member selection process.

8. AMENDMENT

This Agreement may be modified by mutual written agreement of both parties.

9. LIST OF EXHIBITS

The following are the exhibits to this Agreement:

- a. Exhibit A: CEMP Agreement and its attachments.
- b. Exhibit B: CEMP Board Selection Criteria.
- c. Exhibit C: CEMP Board Bylaws.

Accepted:

Kennecott Eagle Minerals Company By: _____

Its: PRESIDENT

Date: Sept 10, 2012



ADAM BURLEY

Marquette County Community Foundation

By: Mark S. Canele

Its: President

Date: Sept 10, 2012

Agreement to amend the Community Environmental Monitoring Program Non-Endowed Fund Agreement.

The Marquette County Community Foundation and Kennecott Eagle Minerals Company signed the Community Environmental Monitoring Program Non-Endowed Fund Agreement (the Agreement) on 10 September 2012.

Since the Agreement was signed:

Lundin Mining Company acquired all the interests in the Rio Tinto Eagle Mine LLC. Rio Tinto Eagle Mine is now known as Eagle Mine LLC, and

The Parties and Superior Watershed Partnership have developed a Notification Plan, and

The Parties and Superior Watershed Partnership have developed a Reference Guide to the CEMP Agreement.

The parties agree to the following amendments to the Agreement:

1. Include the attached Notification Plan as Exhibit D to the Agreement; and
2. Include the attached Reference Guide as Exhibit E to the Agreement.

Executed by the Parties on this the ___ day of September 2013.

Marquette County Community Foundation

By: Mark S. Canale

Name Mark S. Canale

Title President MCCF

Eagle Mine LLC

By: Paul McRae

Name Paul McRae

Title General Manager

Attachments:

CEMP Notification Plan, dated 12 September 2013

CEMP Agreement Reference Guide, dated 12 September 2013

EXHIBIT A: CEMP AGREEMENT AND ITS ATTACHMENTS

**Rio Tinto Eagle Mine
Community Environmental Monitoring Program Agreement**

By and between

Kennecott Eagle Minerals
(doing business as Rio Tinto Eagle Mine)

And

Superior Watershed Partnership

**Funded through the
Marquette County Community Foundation**

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LIST OF ABBREVIATIONS

Eagle Mine or Eagle	Kennecott Eagle Minerals doing business as Rio Tinto Eagle Mine
SWP	Superior Watershed Partnership
CEMP, or "the monitoring program"	Community Environmental Monitoring Program
MCCF	Marquette County Community Foundation
CEMPA "this agreement"	Community Environmental Monitoring Program Agreement
CEMPFA or "the Funding Agreement"	Community Environmental Monitoring Program Funding Agreement
USEPA or EPA	United States Environmental Protection Agency

1. INTRODUCTION

- (a) **Aim of this agreement:** This agreement says how Superior Watershed Partnership and Eagle Mine, working with the Marquette County Community Foundation, will set up independent community monitoring of the environment surrounding Eagle's mining operations.
- (b) **Kennecott Eagle Minerals Company** (or Eagle Mine) is a Rio Tinto-owned company. Eagle Mine is building facilities to mine nickel and copper from a deposit in Marquette County in Michigan's Upper Peninsula. More information about Eagle Mine can be found at <http://riotintoeagle.com/>.
- (c) **Superior Watershed Partnership (SWP)** is a non-profit organization dedicated to monitoring and protecting the waters of Michigan's Upper Peninsula. SWP has experience and expertise gained through years of environmental monitoring in the area of Eagle Mine. More information about SWP can be found at: <http://www.superiorwatersheds.org/>.
- (d) **The Marquette County Community Foundation (MCCF)** is a charitable foundation that supports Marquette County community development with grants and funding.
- (e) **The Community Environmental Monitoring Program (CEMP):** Under this agreement, a program of environmental monitoring is established, funded by Eagle Mine, which is independent of the company. This Community Environmental Monitoring Program is controlled and run by community organizations that are committed to the environment of the region. The workings of the program and the information it generates are open to public view. Eagle believes that this is the best way to build public confidence and trust in its operations.
- (f) **Community organizations and agreements:** The Marquette County Community Foundation and Superior Watershed Partnership will set up and run the Community Environmental Monitoring Program.

Plain English: SWP and Eagle Mine have written this agreement in non-legal, everyday language. Our aim is to make this agreement more readable and accessible to the community.

Throughout the agreement, boxes like this one are used to add explanations and diagrams. They are not part of the agreement text.

Acronyms: Even in a plain English agreement, there is no getting away from acronyms – SWP, CEMPA, and CEMPFA and so on. The choice is to use acronyms or a lot of repetition of long phrases.

Here we have gone with acronyms because the repetition does not read well. If you get lost check back to the list of abbreviations on page one.

The MCCF will manage funding for the monitoring program and make sure that it runs according to the rules. A separate agreement called the Community Environmental Monitoring Program Fund Agreement (CEMPFA), between Eagle Mine and the MCCF, says how the monitoring program is funded. A copy of the CEMPFA is shown in Attachment A.

Superior Watershed Partnership is responsible for running the monitoring program according to this agreement – the CEMPA.

This agreement and the Funding Agreement control the relationship between the all those involved in the monitoring program.

- (g) **Conflict between the agreements:** Because there are two agreements, it is possible that a rule in one agreement conflicts with a rule in the other agreement. If this happens, the rule in the CEMPFA is the one that should be followed.

There is one exception to this principle - section 13 in this agreement - which talks about how Eagle or SWP can end the CEMPA earlier than planned. If something in either agreement conflicts with section 13, section 13 applies.

- (h) **Explanations and extra information:** At some places in this agreement there are explanations and diagrams in grey boxes. These explanations and diagrams are not part of the legal agreement.

2. THE COMMUNITY ENVIRONMENTAL MONITORING PROGRAM (CEMP)

- (a) **Aims of the CEMP:** The CEMP aims to build a comprehensive and accurate picture of Eagle Mine's environmental impacts. Eagle's potential environmental impacts are identified at Attachment C. The CEMP will be open and independent and based on the highest scientific standards. For example, the CEMP will only use State or USEPA approved laboratories. The community will be able to see how the monitoring is funded, the agreements that set it up (including this one) and the information collected.
- (b) **Scope of monitoring:** Monitoring will cover Eagle's mining operations; Eagle's ore processing at the Humboldt Mill and potential environmental impacts along the ore transport route.
- (c) **Structure of the CEMP:** The CEMP will have three parts:

Environmental monitoring: Monitoring the environment that could be affected by a mine is a complex business.

There are many *aspects* of the environment that could be selected for monitoring – the quality of water and air; levels of dust and other pollution; the health of animals and plants, their number and location and many, many more.

Understanding how a mine affects the environment also depends on a good understanding of the environment before the mine starts – a *baseline* of quality scientific data.

For example, an understanding of water quality should be based on many water samples from many locations over a long period of time before the mine gets underway. Once mining starts, many more samples and tests must be taken to check for changes from the baseline that might be caused by the mine.

The way that sampling and testing is done – a *methodology or standard* - must ensure that results can be easily compared with results from earlier samples and tests. Data must then be assessed and interpreted by experts who have good understanding of the natural processes and systems at work.

1. **Verification monitoring:** SWP does verification monitoring to check on the environmental monitoring done by Eagle Mine.
2. **Additional monitoring:** This is monitoring done by SWP over and above the monitoring that Eagle Mine does under its permits. SWP will undertake additional monitoring if it believes it is needed to build a complete picture of Eagle Mine's environmental impacts.

Additional monitoring will include the air quality monitoring program in Powell Township and monitoring potential environmental impacts along the ore transport route.

3. Community outreach: Community outreach aims to make sure that the results of the monitoring program are available and understood by the community. Community outreach will include, at least, community meetings, presentations and on-line information.
- (d) **Management of the CEMP:** SWP independently sets up and runs the CEMP, following the rules in this agreement as well as those in the Funding Agreement.
- (e) **Supervision of the CEMP:** The CEMP will be supervised by an independent board of directors - the CEMP Board. The CEMP Board will be separate from both SWP and Eagle Mine. The Board will have five members who will be representatives of the community interested in Eagle's impact on the environment. The Board of the MCCF will select four members and the Keweenaw Bay Indian Community will be invited to select one member. Board members will be volunteers. More detail on the CEMP Board can be found in section 6.
- (f) **Funds to pay for the CEMP:** Eagle will pay for the CEMP by putting money into a fund with the MCCF. The CEMP Board will control these funds. The CEMP Board will fund SWP as long as SWP is running the CEMP according to the rules in this agreement and the Funding Agreement.
- (g) **Community consultations on the CEMP:** SWP will ask the community for suggestions about the work of the CEMP. This will be done as part of the community outreach program. It is up to SWP to decide if it adopts these suggestions, but it must respond in writing to each one detailing the technical or scientific reasons for its decision. These responses will be open and available to the community.
- (h) **The Powell Township air quality monitoring** is part of the additional monitoring program. SWP will start collecting baseline data for monitoring in the Powell Township in October, 2012. A USEPA approved weather station will be set up in the Township as part of this monitoring. SWP will continue air quality monitoring once baseline data has been collected.
- (i) **Changing and improving the CEMP:** The CEMP will change and adapt as Eagle's operations change over the life of the mine. Eagle Mine or SWP can meet at any time to discuss how to improve the CEMP. They may ask the CEMP Board to help with these meetings. Eagle Mine and SWP commit to discussing CEMP issues honestly and openly.

3. INDEPENDENCE OF SWP

- (a) SWP will be independent in the way it runs the CEMP, although it must do so within the rules of the agreements and agreed monitoring standards. These agreed standards are based on best practice science. The standards (listed at Attachments D and E of this agreement) identify the baseline data and the methods employed in monitoring an aspect of the environment. Within this framework SWP will have the final say on all things including:
 1. Where monitoring data will be collected
 2. Which subcontractors will do parts of the monitoring work
 3. Which labs (meeting State of Michigan or EPA standards) will do scientific testing

4. How the quality of results is checked
5. Getting advice from scientists and experts on how to set up the monitoring
6. How to check results from Eagle Mine
7. How to approach additional monitoring
8. How to monitor water and environmental impacts along the transport route.
9. How to monitor impacts on plants and animals
10. How to monitor air quality in the Powell Township and figure out if changes in air quality are connected with Eagle Mine
11. The baseline data to be relied upon, taking into account the baseline data that Eagle has developed for its permits.

Baseline data: Baseline data gives a picture of the environment before a development goes ahead. Once a development is underway it allows monitors to compare new results to the baseline and see if there is change in the environment.

- (b) **CEMP Work Plan:** SWP will write a Work Plan saying how it will conduct the monitoring. The Work Plan describes the activities that SWP plans to undertake and includes a timeline showing when those activities will be done. The Work Plan also includes a budget saying how much each part of the CEMP costs. This Work Plan is updated yearly or more often if needed, and is made available to the community when complete. The attachments at the end of this agreement contain examples of different parts of the CEMP Work Plan. Attachment B is a table of contents for the CEMP Work Plan, Attachment F is an example of a monitoring work program and Attachment G contains an initial community outreach plan.
- (c) **CEMP Work Plan and mine phases:** The Work Plan may change as Eagle Mine goes through phases of its mine life. The phases are:
1. Moving from construction to operations
 2. Operations (i.e. ore extraction and processing)
 3. Closure, reclamation and rehabilitation
- (d) **Additional monitoring:** SWP may decide on its own to do additional monitoring, or additional monitoring can be requested by a community member.
- (e) **Additional monitoring plan:** If SWP decides that additional monitoring is needed to properly understand how the Eagle Mine is affecting the environment, it must develop a plan saying how it will do this monitoring.
- (f) **Additional monitoring standards:** Any additional monitoring must follow this agreement, including the rules and standards outlined in Attachments D and E. SWP will seek help if needed to develop its additional monitoring plan from scientific experts, including Eagle's experts. The plan must describe the baseline data and the standards that will be used in the additional monitoring. If the additional monitoring planned by SWP cannot be done using existing baseline data and standards a new monitoring standard and baseline data appropriate to this type of monitoring must be captured and added to Attachment D of this agreement. Where relevant EPA or State standards exist, those standards will be used. Where there are no relevant EPA or State monitoring standards, SWP will develop a standard based on current scientific literature and advice.
- (g) **Consultations on additional monitoring:** SWP must give its additional monitoring plan, including budget, to Eagle Mine for comment.

1. Eagle Mine must provide comments within 28 days.
2. If SWP agrees with the comments, it can revise the plan accordingly and get on with putting the revised plan into action.
3. However, if SWP does not agree with Eagle's comments, then it must give its reasons to Eagle in writing.
4. If Eagle Mine objects to the additional monitoring after receiving SWP's reasons, the issue will be handed to the CEMP Board. The issue will be resolved by working through the dispute process (covered in section 7 below).
5. While the dispute process is continuing, SWP can start the additional monitoring, but must stop immediately if the dispute process finds it will not help to understand the impacts of the Eagle Mine.

(h) **Use of contractors:** All monitoring work must be done by SWP, although SWP can use contractors as long as they follow the rules in the agreements.

4. FUNDING OF THE CEMP

(a) **CEMP Budget:** Eagle will provide funds for the CEMP budget as long as this agreement is in place. The CEMP budget must allow for thorough monitoring based on good science and methods. SWP can adjust the budget annually to allow for changes in the monitoring program. The budget will be part of the annual CEMP Work Plan and will be updated each year (along with the Work Plan).

(b) **Eagle payments:** Eagle Mine will fund the CEMP up to \$300,000 per year. This money will be paid into an account held by MCCF and controlled by the CEMP Board. MCCF will receive 5% of these funds as an administration fee. If less than \$285,000 is spent on the program in any given year, the balance can be accumulated in a reserve fund for emergency or unanticipated monitoring needs in future years. Once the reserve hits \$100,000, any unspent funds left at the end of the year will reduce Eagle's payments in the coming year.

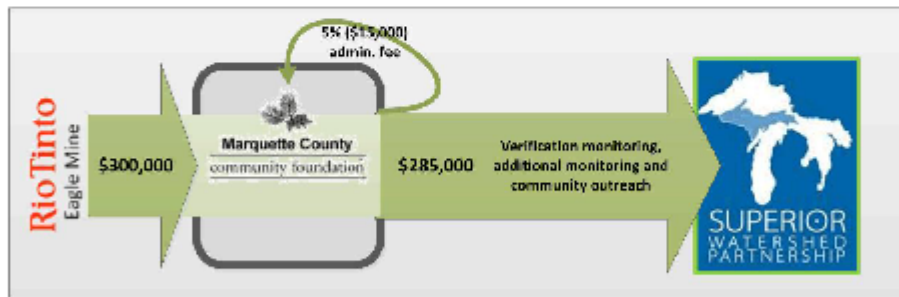


Figure 1 Eagle Mine funding of the CEMP

(c) **MCCF Invoices Eagle Mine:** The MCCF will invoice Eagle for CEMP funds according to the process described below:

1. SWP will submit a draft CEMP Work Plan and budget for the coming year to the CEMP Board by November 15th. SWP will also tell the Board of any invoices it plans to submit before December 31st, and estimate their value.
2. The CEMP Board will review and approve the Work Plan and budget by December 1st. The Board will liaise with SWP if it has questions about the Work Plan or budget or requires changes.
3. MCCF will then prepare an invoice to Eagle for half the annual cost of the CEMP - January to June. This invoice will be for \$150,000 less any deductions that may be needed because the reserve has hit \$100,000. MCCF will send this invoice to Eagle by December 10th along with the CEMP Work Plan and budget and a report on the CEMP Fund balance. Eagle will pay this invoice by January 15th of the following year.
4. MCCF will send a second invoice to Eagle Mine by May 15th for the second half of the annual cost of the CEMP – July to December. The amount of this invoice will be the same as the first invoice, but will include an adjustment to account for any difference between the estimate of balances from the previous year and the actual balances at December 31st. Eagle will pay this invoice by July 1st.

(d) **SWP invoices MCCF:** SWP will regularly invoice MCCF for CEMP costs according to the process described below:

1. Each SWP invoice will be sent to MCCF along with a statement by SWP's Executive Director. This statement will say that the work being invoiced is part of the Work Plan, is within the annual budget and meets with the rules and standards set out in this agreement.
2. The CEMP Board will review these invoices. The Board may rely on the Executive Director's statement to be satisfied that SWP is complying with the CEMPA.
3. Copies of invoices along with the Executive Director's statement will be shared with Eagle at the same time that they are provided to the CEMP Board. Eagle may object to the statement in the invoice. If Eagle objects it must let the Board and SWP know of its objection within 14 days of receiving the invoice.
4. If Eagle objects, then the dispute resolution mechanism is triggered (see clause 7(h)). The CEMP Board must hear from both sides and make a decision within 21 days of receiving Eagle's objection.
5. If Eagle objects to part of SWP's invoice, the CEMP Board will not pay that part of the invoice unless the objection is resolved in SWP's favor. The Board can pay the undisputed part of the invoice.
6. If the invoice is approved, the CEMP Board will authorize payment out of the CEMP Fund.

5. DONATIONS TO THE CEMP FUND

- (a) **Contributions by others:** Any person or organization can contribute funds towards the CEMP. These contributions will also be paid into the MCCF account. Any additional monitoring paid for with this extra money must also follow the rules outlined in these agreements.
- (b) **Use of contributions:** These extra funds can be used to continue monitoring that is about to end because of other priorities in the Work Plan. These funds may also be used for additional monitoring. Additional monitoring paid for in this way can start as soon as the monitoring standards are established and included in Attachment D to this agreement. Any additional monitoring paid for by another person or organization must still be done by SWP or its approved sub contractors..

6. THE CEMP BOARD

- (a) **Board membership:** The CEMP Board will have five members:
1. One Board member will be selected by the Marquette County Community Foundation to chair the CEMP Board.
 2. The Keweenaw Bay Indian Community will be invited to select a Board member to represent the Anishnabe nations.
 3. A further three Board members will be selected by the MCCF from parts of the community. The first of these must have an environmental science background. The second must have a mining background and the third can come from anywhere in the wider community.
 4. The MCCF may ask Stang Decision Systems for help to choose the CEMP Board members. Stang will advertise Board positions and accept applications on a standard form. Stang may also identify the best applicants, based on the qualities outlined in Exhibit B of the Funding Agreement.
- (b) **Work Plan submission:** SWP will submit the 2012 Work Plan, including the budget, to the CEMP Board within 30 days of this agreement being signed. The 2012 Work Plan will cover the period from the signing of the agreement to 31 December 2012. SWP must give its next annual work-plan and budget to the CEMP Board and Eagle Mine by the 15th of November each year.
- (c) **Board report:** Each year the Board will write a report to both Eagle and SWP about how the CEMP is working. This report can also include recommendations for improving the CEMP. This report will be public.

7. RESOLVING DISAGREEMENTS

- (a) **Types of disputes:** There are two kinds of disputes that might happen over the life of the agreements: *technical or scientific disputes* and *disputes about the interpretation of the agreements*. Technical or scientific disputes will be resolved by the peer review process. This includes disputes about the standards that ensure the quality of monitoring; how results are interpreted; the need for additional monitoring; and the CEMP Work Plan. The peer review process is described in 7(b) to (f) below. The process for resolving disputes about the interpretation of the agreements is described in 7(g).

- (b) **Starting the peer review process:** Eagle Mine or SWP can start the peer review process if there is a disagreement on technical or scientific matters. When the peer review process is started, SWP will announce publically what the disagreement is about, how the peer review process will work and how the results will be publicized.
- (c) **The peer reviewer:** The peer review process depends on a "peer reviewer". A peer reviewer must be a scientific expert in the area of the disagreement. The peer reviewer will consider the views of Eagle Mine and SWP and make findings about the issue.
- (d) **Selecting a peer reviewer:** Eagle Mine and SWP will meet to select an agreed peer reviewer. They may ask the advice of organizations listed in Attachment H to help identify suitable candidates. If Eagle and SWP cannot agree on which peer reviewer to use, they can each put forward two candidates to the CEMP Board. The Board will decide which to use. If for some reason the Board cannot decide, it will ask the candidates suggested by Eagle Mine and SWP to suggest two more experts and it will choose from them.
- (e) **The CEMP Board will decide what the peer reviewer will examine, how much money to spend and how much time it will take.** Money to pay for the peer reviewer and other expenses will come from the CEMP Fund.
- (f) **Ending the dispute:** Eagle Mine and SWP will each be given the peer reviewer's findings. Both agree to abide by these findings.
- (g) **Making the findings public:** After consulting with the CEMP Board, SWP will publicize the findings within one week of their completion. If Eagle Mine does not agree with the findings, after consultations with SWP, it can make its opinion of the findings public. If SWP does not agree with the findings, after consultations with Eagle, it can also make its opinion public.
- (h) **Disputes about the interpretation of the agreements:** Disputes about the interpretation of this agreement or the CEMPFA will be submitted the CEMP Board for a decision. The CEMP Board may ask outside experts to help resolve the dispute. Eagle Mine and SWP agree to abide by the Board's decision.

8. DATA SHARING

- (a) **Data sharing:** Eagle Mine will share all the data from its environmental programs with SWP. SWP will make this data public according to the rules in section 9 below.
- (b) **Serious risks:** Eagle Mine and SWP will tell each other, by phone or email, of any data that suggests a danger to community health or the environment, as soon as they become aware of the risk. If this communication is by phone, it will be followed up with a confirming email. SWP will release this information to the community as soon as possible.
- (c) **Breaches of permits:** Any data that shows that Eagle Mine has breached its regulations or permit conditions will be shared verbally within 24 hours of discovery. The data will be shared in writing within 14 working days and will also be made public.
- (d) **Other data:** All other data will be shared in writing within 14 working days of it coming to hand.

9. MAKING DATA AND OTHER INFORMATION PUBLIC

- (a) **Ownership and sharing of data:** SWP will own any of the data it collects and will provide the data to the community in a way that is easily understood by the widest possible audience. Data will be made available on the Internet and SWP will decide when and how this is done.
- (b) **Raw data:** SWP can give raw data in tables along with explanations and notes to anyone who asks for it. The quality of this data must be guaranteed before it is released and it cannot be released before it is made available on the Internet.
- Raw data:** Raw data is the data that comes direct from testing or monitoring devices. For example, a table of minute-by-minute wind speed data from a weather station is raw data – it is not summarized or interpreted.
- (c) **Eagle Mine review:** SWP will give Eagle Mine the opportunity to review information that it plans to put on the Internet. Eagle can make suggestions on how to present the information to make sure it is clear and properly understood. Eagle Mine will finish its review in time to allow SWP to release information according to the schedule described below.
- (d) **Serious risks:** Data that indicates a danger to community health or the environment will be released to Eagle Mine and the community as soon as possible after SWP receives it.
- (e) **Breaches of Permits:** Data that shows Eagle Mine is breaching its regulations or permit conditions must be published on the Internet no later than 10 days after Eagle Mine is told. This data must also be presented in a way that most people understand and be published along with notes explaining how the breach will affect the environment. SWP must also publish Eagle's explanation of how it thinks the breach will affect the environment. Both Eagle Mine and SWP can make suggestions about how to address the breach when the data is made public.
- (f) **Other data:** Data that shows that Eagle Mine is working according to its regulations or permit conditions can be released as soon as it is presented in a way that most people can understand. This data must be released within 14 days of becoming available.
- (g) **Agreements and CEMP information:** This agreement, the CEMPFA and their amendments set up the CEMP. These agreements will be made public. Final CEMP Work Plans and budgets will also be made public. SWP can ask for advice from anyone else about the CEMP and give them CEMP documents as long as it provides copies of these documents to Eagle Mine at the same time. These documents might include the CEMP Work Plan and budget.
- (h) **MCCF community information:** The MCCF will provide community information about this agreement and the Funding Agreement. If MCCF requests assistance, SWP and Eagle Mine will help with this publicity.

10. COMMUNITY OUTREACH

SWP will develop a community outreach plan as part of the CEMP Work Plan. The community outreach plan will be updated each year along with the update of the Work Plan. An initial education campaign will include information on environmental monitoring currently done at Eagle Mine and monitoring that will be undertaken by SWP as part of the CEMP. The community outreach plan will include annual community forums in Marquette City, Powell Township, Humboldt Township, Baraga and Michigamme Township on the outcomes of monitoring as well as presentations, brochures and website information. It will also include data for the Eagle Mine Community Scorecard. A schedule of community meetings and activities will be developed annually and included in the plan. The initial community outreach plan is shown in Attachment G.

11. PAYMENT OF SWP COSTS FOR DEVELOPING THE AGREEMENTS

It has cost SWP money to negotiate this agreement and the Funding Agreement. SWP will be reimbursed for these costs through the MCCF from the 2012 Eagle payment. SWP will include these costs in the first invoice to the MCCF.

12. TERM

- (a) **Term:** This agreement will last for just over three years, starting on the day that it is signed and ending on December 31st, 2015. This agreement may end sooner if it is terminated (see section 13 below).
- (b) **Renewing the agreements:** The CEMP agreements are intended to cover the life of Eagle mine, from construction to mining as well as closure and rehabilitation. Eagle Mine and SWP may agree to renew this agreement for additional three year periods to cover the life of the mine. If SWP and Eagle intend to renew this agreement they must make a renewal agreement at least 30 days before this agreement ends. Any unspent reserve funds can be carried forward into the following agreement and preserved as a reserve fund.
- (c) **Post Reclamation Community Environmental Monitoring:** Before any final renewal of this agreement Eagle and SWP will discuss the community environmental monitoring that may be needed after the reclamation and rehabilitation phase of the Eagle Mine.

13. TERMINATION

- (a) **Termination:** If Eagle Mine or SWP believe that this agreement is not being followed they can terminate their involvement by giving 60 days notice. They must outline their reasons for wanting to terminate as well as how the situation might be fixed. A termination notice cannot trigger the disputes processes described in section 7.
- (b) **Avoiding termination:** If either Eagle Mine or SWP give notice, they will both try to fix the issues of concern before the end of the notice period to allow the CEMP to continue. The CEMP Board will assist them to address the issues. The assistance of the CEMP Board is not part of any disputes process.
- (c) **Costs of termination:** If Eagle Mine or SWP terminate this agreement SWP must be reimbursed for the costs of winding up the CEMP. The amount of reimbursement will be

approved by the CEMP Board but it cannot be more than Eagle Mine's last half-year payment. Reimbursements will only be made on costs that SWP can demonstrate.

- (d) **Termination and equipment:** SWP will retain ownership of any equipment it purchased to run the CEMP if the book value of that equipment is less than \$10,000. If the book value of the equipment is more than \$10,000 Eagle Mine and SWP will agree on how to dispose of that equipment.

Book Value: The book value of capital items like equipment is the value that the item has in the accounts or "books" of the SWP.

When a capital item is purchased its value in the books is its purchase price. Over time, the value of the item may be reduced by set increments to account for age and wear and tear. This is known as depreciation. The book value may therefore be different from the market value or replacement value.

- (e) **Powell Township air monitoring equipment:** SWP can keep the equipment used in the Powell Township air quality monitoring program, even if it is worth more than \$10,000, so long as it continues to run that program. If it does not intend to continue then the equipment must be handed over to any other organization that will continue the program.

- (f) **Reserve fund remainder:** Any money left in the reserve fund when this agreement ends will be kept in MCCF's non-endowment fund. Any remaining reserve fund money will be used for community monitoring after the Eagle Mine is closed and rehabilitated. A further agreement between Eagle and MCCF will outline how this monitoring will be done.

- (g) **Termination notice and surplus funds:** When SWP has finished winding up the CEMP, the Board will send a written notice of termination to Eagle Mine as well as any donor to the CEMP fund. Eagle Mine will then request that the Board give their surplus CEMP funds to a charity or community organization eligible for MCCF support. Any donors with unspent money in the CEMP fund will do the same.

14. HEALTH AND SAFETY

- (a) **Health and safety standards:** Eagle Mine has given SWP a copy of its health and safety standards which are included in this agreement at Attachment I. SWP has reviewed the standards and agrees that all its staff, trainees and contractors will abide by the standards as they go about their monitoring activities.
- (b) **Access to Eagle Mine operations:** All SWP personnel who wish to enter Eagle Mine operations must be at least 18 years old and follow all of Eagle's health and safety rules.

15. INSURANCE

- (a) **Policies:** For the term of this agreement, SWP will maintain at least the following insurance:
1. A General Liability policy to the value of \$1,000,000 per occurrence and \$2,000,000 in total; and
 2. A Hired and Non-owned Automobile liability to the value of \$1,000,000 per claim occurrence; and
 3. Workers' compensation at a level required by the State of Michigan.

- (b) **Additional Insured:** SWP has added Kennecott Eagle Minerals Company to its General Liability policy as an additional insured to cover Eagle for any work SWP does connected with the CEMP.
- (c) **Contractors:** Contractors working for SWP will meet the same insurance requirements as Eagle's contractors who work on its mine site. Eagle will tell SWP what the insurance requirements are for contractors working on its mine site.

16. INDEMNITIES

- (a) **Eagle indemnifies SWP:** Eagle shall indemnify, protect, defend and hold SWP harmless from and against all claims, damages, costs, expenses, liabilities, actions, suits, fines and penalties (including without limitation reasonable attorneys' fees and expenses) of any kind or nature whatsoever, suffered or incurred by SWP, which result from or arise out of any claim for personal injury (including death) suffered by any person (including employees of SWP) and loss of or damage to property (including loss of use of thereof), in either case proximately caused by or arising out of Eagle's actions on this project up to \$1,000,000 per occurrence and \$2,000,000 in aggregate. Notwithstanding the same, Eagle shall not be required to indemnify SWP from and against claims, damages, costs, expenses, liabilities, actions, suits, fines and penalties to the extent the same are proximately caused by or arise out of the intentional, reckless, or negligent acts or omissions of SWP (including without limitation willful misconduct), or its contractors, agents, representatives, affiliates, or other person under its control.
- (b) **SWP indemnifies Eagle:** SWP shall indemnify, protect, defend and hold Eagle harmless from and against all claims, damages, costs, expenses, liabilities, actions, suits, fines and penalties (including without limitation reasonable attorneys' fees and expenses) of any kind or nature whatsoever, suffered or incurred by Eagle, which result from or arise out of any claim for personal injury (including death) suffered by any person (including employees of Eagle) and loss of or damage to property (including loss of use of thereof), in either case proximately caused by or arising out of SWP's actions on this project up to the extent of coverage of SWP's liability insurance, and no further. Notwithstanding the same, SWP shall not be required to indemnify Eagle from and against claims, damages, costs, expenses, liabilities, actions, suits, fines and penalties to the extent the same are proximately caused by or arise out of the intentional, reckless, or negligent acts or omissions of Eagle (including without limitation willful misconduct), or its contractors, agents, representatives, affiliates, or other person under its control.

Legal language: Note: that this clause has not been written in plain English, on legal advice. Legal language has been kept to ensure that the strict legal meaning of Indemnity is preserved.

17. GOVERNING LAW

This agreement operates under the laws of State of Michigan and Michigan law will govern its interpretation.

18. RELATIONSHIP OF EAGLE MINE AND SWP

Making this agreement does not mean that Eagle Mine and SWP have formed any kind of commercial relationship including joint ventures or business partnerships.

19. AMENDMENT

No alterations to this agreement can be made without the written consent and signature of both Eagle Mine and SWP.

20. CONTACT BETWEEN SWP AND EAGLE

- (a) For technical matters contact is between SWP's Senior Planner and Eagle's Environmental and Permitting Manager.
- (b) For policy and agreement matters contact is between SWP's Executive Director and Eagle's Director Communities, Communications and External Relations

Executed by the Parties on this the _____ day of _____, 2012:

SUPERIOR WATERSHED PARTNERSHIP

**KENNECOTT EAGLE MINERALS
COMPANY**

*

By: _____

By: _____

Name:

Name:

Title:

Title:

ATTACHMENT A: CEMP FUND AGREEMENT WITH EXHIBITS

Not included here.

This attachment ran from page 18 to 42 of the CEMPA.

ATTACHMENT B: TABLE OF CONTENTS FOR CEMP WORK PLAN FOR COMMUNITY ENVIRONMENTAL MONITORING OF RIO TINTO EAGLE MINE OPERATIONS

This attachment contains an indicative table of contents for the CEMP Work Plan. Attachments C to G below are parts of this CEMP Work Plan. *Attachment C Potential Impacts from Rio Tinto Eagle Mine Operations* would appear at 2.1 in this contents list. *Attachments D* would appear at 1.1.7 and E would be inserted at 1.2.4. *Attachment F Example of a Monitoring Work Program* would appear in section 3 and *Attachment G Initial Community Outreach Plan* would appear at section 5.

1. Community Environmental Monitoring Objectives

1.1. Verification Monitoring and Data Review

- 1.1.1 Baseline Data Review
- 1.1.2 Operations Data Review
- 1.1.3 Procedures Review
- 1.1.4 Interpretation Review
- 1.1.5 Split Sampling of Rio Tinto Eagle Permitted Facilities
- 1.1.6 Side by Side Sampling of Rio Tinto Eagle Permit Required Monitoring
- 1.1.7 Standards, Methodologies, and Baseline Data for Verification Monitoring

1.2. Additional Monitoring

- 1.2.1 Powell Township Air Quality Monitoring
 - 1.2.1.1 Standards, Methodologies, and Baseline Data for Powell Township Air Quality Monitoring
 - 1.2.2 Transportation Route
 - 1.2.3 Other Based on Results or New Activities
 - 1.2.4 Standards, Methodologies, and Baseline Data for Additional Monitoring
- 1.3. Community outreach and input

2. Risk Assessment

- 2.1. Potential Impacts from Rio Tinto Eagle Mine
- 2.2. Potential Impacts from Rio Tinto Humboldt Mill and Transportation Route
- 2.3. Relationship between Risks and Annual Monitoring Objectives

3. Annual Monitoring Objectives

3.1. Sampling Sites

- 3.1.1 Facilities Monitoring
- 3.1.2 Groundwater Elevation
- 3.1.3 Groundwater Quality
- 3.1.4 Surface Water Quality
- 3.1.5 Flora/Fauna Monitoring
- 3.1.6 Air Quality

3.2. Sampling Procedures

- 3.2.1 Data Collection Methods
- 3.2.2 Parameters, Analytical Methods, Reporting Limits
- 3.2.3 Quality Control

3.3. Sampling Schedule

- 3.4.1 Data Representativeness, Precision and Accuracy
- 3.4.2 Comparison of Results to Benchmarks Related to Baseline Data, Permit Criteria and Part 632 Criteria
- 3.5. Quality Assurance
- 4. Publication**
 - 4.1. Communication Plan for Data Publication
 - 4.1.1 Data Processing
 - 4.1.2 Notification Process
 - 4.1.3 Schedule
 - 4.2. Web Access to Community Monitoring Program Data
 - 4.3. Scorecard
 - 4.3.1 Data Precision
 - 4.3.2 Data Accuracy
 - 4.3.3 Representativeness
 - 4.3.4 Benchmark Evaluations
 - 4.3.5 Possible Mine-Related Shifts from Baseline Conditions
 - 4.4. Data for Rio Tinto Eagle Mine Community Scorecard
- 5. Community Outreach**
 - 5.1. Description of monitoring done by Eagle Mine
 - 5.2. Schedule of community forums
 - 5.3. Schedule of presentations and publications
- 6. References**
- 7. Annual Budget**

ATTACHMENT C: POTENTIAL IMPACTS FROM RIO TINTO EAGLE MINE OPERATIONS

Table 1 Potential impacts from Rio Tinto Eagle Mine

Risk Code	Potential Impact	Phase
Groundwater Quality		
GM1	A reduction in groundwater levels in the Quaternary aquifer due to dewatering of the mine	Operations
GM2	A leak of contact water through the liner system of the Contact Water Basins (CWBs)	Operations
GM3	A leak of contact water through liner system of the Temporary Development Rock Storage Area (TDRSA)	Operations
GM4	A spill of diesel-fuel or unleaded gasoline associated with the fuel storage and distribution system	Operations
GM5	A failure of the Waste Water Treatment Plant (WWTP)	Operations
GM6	An increase in groundwater elevations due to the infiltration of treated water at the Treated Water Infiltration System (TWIS)	Operations
GM7	The migration of inorganic ions from the backfilled mine up into the Quaternary aquifer	Reclamation
Surface Water Quality		
SM1	A reduction in stream flows due to a reduction in groundwater levels in the Quaternary aquifer due to dewatering of the mine during operations	Operations
SM2	Contamination of surface waters (via ground water) from a leak of contact water through the liner system of the CWBs	Operations
SM3	Contamination of surface waters (via ground water) from a leak of contact water through liner system of the TDRSA	Operations
SM4	Contamination of surface waters (via ground water) from a spill of diesel-fuel or unleaded gasoline associated with the fuel storage and distribution system	Operations
SM5	Contamination of surface waters (via ground water) from a failure of the WWTP	Operations
SM6	An increase in stream flows due to an increase in groundwater elevations due to the infiltration of treated water at the TWIS	Operations
SM7	Surface water quality impacts caused by runoff from the surface facilities and roads	Operations, Reclamation
SM8	Contamination of surface waters (via ground water) from the migration of inorganic ions from the backfilled mine up into the Quaternary aquifer	Reclamation
Air Quality		
AM1	Fugitive dust associated with material storage and ore processing areas	Construction, Operations
AM2	Exhaust emissions from operation of diesel generators and exhaust of emissions from underground operations through the ventilation raise	Operations
AM3	Exhaust and fugitive dust from vehicle traffic	Operations
AM4	Elevated ambient air concentrations of criteria pollutants	Operations

Risk Code	Potential Impact	Phase
	such as particulate matter, nitrogen dioxide, sulfur dioxide and carbon monoxide; and airborne metals, such as copper and nickel	
AM5	Deposition of particulate matter and metals	Operations
Flora/Fauna		
FM1	Impacts to vegetative communities and hydrology in groundwater/stream supported wetlands due to changes in hydrology caused by mine dewatering and construction and operations of surface facilities	Construction, Operations
FM2	Impacts to habitat, flora and fauna due to contamination of groundwater or surface waters	Operations, Reclamation
FM3	Impacts to native habitat from introduction of invasive species as a result of physical disturbance of the landscape and increased vehicular traffic	Operations
FM4	Impacts from noise and light at the mine facility	Operations

Information compiled from Eagle Project Mining Permit Application, Volumes I & II, Environmental Impact Assessment, Project I.D.: 04W018, Kennecott Eagle Minerals Company, Marquette, Michigan. February 2006.

Table 2: Potential impacts from Rio Tinto Humboldt mill and transportation route

Risk Code	Potential Impact	Phase
Groundwater Quality		
GHT1	Reduction in seepage of water from the Humboldt Tailings Disposal Facility (HTDF) to the aquifer on the north side	Operations
GHT2	Contamination of groundwater from the HTDF (removal of the cut-off wall and Wastewater Treatment Plant (WWTP))	Reclamation
Surface Water Quality		
SHT1	An increase in surface water discharge from the HTDF	Operations
SHT2	Contamination of surface waters from the HTDF (failure of the WWTP)	Operations
SHT3	Contamination of surface waters from a break in the tailings slurry pipeline to the HTDF	Operations
SHT4	Contamination of surface waters from a spill during transportation of ore from Eagle Mine facility (transportation route)	Operations
SHT5	Contamination of surface waters from a spill during concentration load out from Humboldt Mill to rail cars	Operations
SHT6	Impacts to surface waters from increased storm water runoff	Construction, Operations, Reclamation
SHT7	Impacts to surface waters from increased traffic along transportation routes (sedimentation, spills from trucks)	Operations
SHT8	Contamination of surface waters (via groundwater) from the HTDF (removal of the cut-off wall and Wastewater Treatment Plant (WWTP))	Reclamation
Air Quality		
AHT1	Fugitive dust associated with construction/reclamation activities, and operations (vehicle travel, material handling of the ore, and concentrate load out to rail cars)	Construction, Operations, Reclamation
AHT2	Exhaust emissions from operation of diesel generators and milling operations	Construction, Operations, Reclamation
AHT3	Elevated ambient air concentrations of criteria pollutants such as particulate matter, nitrogen dioxide, sulfur dioxide and carbon monoxide; and airborne metals, such as copper and nickel	Construction, Operations, Reclamation
Flora/Fauna		
FHT1	Impacts from refurbishing and operation of the mill, re-commissioning and operating the HTDF, and particulate emissions	Construction, Operations
FHT2	Impacts to habitat, flora and fauna due to contamination of groundwater or surface waters	Operations, Reclamation
FHT3	Reduction in seepage of water from the HTDF to the aquifer on the north side	Operations
FHT4	An increase in surface water discharge from the HTDF to wetlands on the north side	Operations
FHT5	An increase in non-contact storm water discharge to	Construction,

Risk Code	Potential Impact	Phase
	wetlands to the south	Operations, Reclamation
FHT6	Impacts to native habitat from introduction of invasive species as a result of physical disturbance of the landscape and increased vehicular traffic	Construction, Operations, Reclamation
FHT7	Impacts from noise and light at the mill facility	Construction, Operations, Reclamation

Information compiled from Humboldt Mill Mining Permit Application, Volumes I & II, Environmental Impact Assessment, Project I.D.: 06W003, Kennecott Eagle Minerals Company, Marquette, Michigan. December 2008.

ATTACHMENT D: STANDARDS AND METHODOLOGIES FOR COMMUNITY ENVIRONMENTAL MONITORING OF RIO TINTO EAGLE MINE OPERATIONS

1. STANDARDS, METHODOLOGIES, AND BASELINE DATA FOR VERIFICATION MONITORING

1.1 Program Implementation and Quality Assurance

1.1.1 Annual Work Plan

The Annual Work Plan will detail the monitoring methodology, including: target pollutant(s), monitoring location(s), protocol(s) to be used, data parameters, collection frequency, data handling and analysis, instrument calibration, and QA/QC procedures.

1.1.2 Quality Assurance

- a) Sampling will adhere to State of Michigan and EPA approved protocols.
- b) Monitoring equipment installation, operation, calibration, and QA/QC to be handled by an experienced independent third party.
- c) Laboratory analyzing samples will have State of Michigan and Federal Certifications for all EPA methods used in the analysis of samples.

1.2 Elements of the verification monitoring program

1.2.1 Verification Monitoring Objectives

- a) Baseline Data Review
- b) Operations Data Review
- c) Procedures Review (protocols)
- d) Interpretation Review
- e) Split Sampling of Rio Tinto Eagle Permitted Facilities
- f) Side by Side Sampling of Rio Tinto Eagle Permit Required Monitoring

1.2.2 Annual Monitoring Objectives

- a) Facilities Monitoring
- b) Groundwater Elevation
- c) Groundwater Quality
- d) Surface Water Quality
- e) Flora/Fauna
- f) Air Quality

1.2.3 Monitoring Period

- a) Implement monitoring program during 4th Quarter 2012, prior to commencement of Eagle Mine operations (ore production and processing)
- b) Conduct monitoring for at least three years after Eagle Mine commences maximum production levels

1.2.4 Data Analysis and Publication

- a) Compare data to benchmarks related to baseline data collected prior to September 2011, Permit Criteria, and Part 632 criteria. Standards and baseline data are included in the Table 1 - Standards and Baseline Data for Verification Monitoring.
- b) Data will be published in accordance with procedures described in the Communication Plan included in the annual work-plan including procedures for data processing, notification process, and schedule.

Table 1 - Standards and Baseline Data for Verification Monitoring

Community Monitoring Objective	Standards	Baseline Data
Verification Monitoring		
Facilities Monitoring	Standards required by Part 632 Mining Permit and Groundwater Discharge Permit	Baseline Data collected prior to full operations (ore production)
Groundwater Elevations	Standards required by Part 632 Mining Permit	Baseline data collected prior to September 2011
Groundwater Quality	MDEQ OpMemo, Standards required by Part 632 Mining Permit and Groundwater Discharge Permit	Baseline data collected prior to September 2011
Surface Water Quality	MDEQ OpMemo, MDEQ Procedure 51, Standards required by Part 632 Mining Permit	Baseline data collected prior to September 2011
Flora/Fauna	Standards required by Part 632 Mining Permit and Groundwater Discharge Permit	Baseline data collected prior to September 2011
Air Quality	National Ambient Air Quality Standards and Michigan Air Toxic Screening Levels	Data collected prior to full operations (ore production), data from regional stations as appropriate

2. STANDARDS, METHODOLOGIES, AND BASELINE DATA FOR ADDITIONAL MONITORING

2.1. Program Implementation and Quality Assurance

2.1.1 Annual Work Plan

The Annual Work Plan will detail the monitoring methodology, including: target pollutant(s), monitoring location(s), protocol(s) to be used, data parameters, collection frequency, data handling and analysis, instrument calibration, and QA/QC procedures.

2.1.2 Quality Assurance

- a) Sampling will adhere to State of Michigan and EPA approved protocols and/or protocols/study plans pre-approved by all stakeholders.
- b) Monitoring equipment installation, operation, calibration, and QA/QC to be handled by an experienced independent third party.
- c) Laboratory analyzing samples will have State of Michigan and Federal Certifications for all EPA methods used in the analysis of samples.

2.2 Elements of the Additional Monitoring Program

2.2.1 Additional Monitoring Objectives

- a) Powell Township Air Quality Monitoring (See Standards, Methodologies, and Baseline Data for Powell Township Air Quality Monitoring).
- b) Transportation Route
- c) Other based on Results or New Activities

2.2.2 Annual Monitoring Objectives

- a) Groundwater Quality
- b) Surface Water Quality
- c) Flora/Fauna
- d) Air Quality

2.2.3 Monitoring Period

- a) Implement monitoring program prior to commencement of Eagle Mine operations (ore production and processing) or following SWP assessment and/or community identified need.
- b) Conduct monitoring for at least three years after Eagle Mine commences maximum production levels.

2.2.4 Data Analysis and Publication

- a) Compare data to benchmarks related to baseline data collected prior to September 2011, Permit Criteria, and Part 632 criteria, and/or baseline data pre-approved by SWP, Rio Tinto, and MCCF. Standards and baseline data are included in the Table 2 - Standards and Baseline Data for Supplemental Monitoring.

- b) Data will be published in accordance with procedures described in the Communication Plan included in the Annual Work Plan including procedures for data processing, notification process, and schedule.

Table 2 – Standards and baseline data for additional monitoring

Community Monitoring Objective	Standards	Baseline Data
Additional Monitoring		
Groundwater Elevations	Standards required by Part 632 Mining Permit	Baseline data collected prior to September 2011
Groundwater Quality	MDEQ OpMemo, Standards required by Part 632 Mining Permit and Groundwater Discharge Permit	Baseline data collected prior to September 2011
Surface Water Quality	MDEQ OpMemo, MDEQ Procedure 51, Standards required by Part 632 Mining Permit	Baseline data collected prior to September 2011
Flora/Fauna	Standards required by Part 632 Mining Permit and Groundwater Discharge Permit and/or standards pre-approved by SWP, Rio Tinto, and MCCF	Baseline data collected prior to September 2011 and/or baseline data pre-approved by SWP, Rio Tinto, and MCCF
Powell Township Air Quality	National Ambient Air Quality Standards and Michigan Air Toxic Screening Levels	Data collected prior to full operations (ore production), data from regional stations as appropriate
Other	Standards required by Part 632 Mining Permit, Groundwater Discharge Permit, and/or standards pre-approved by SWP, Rio Tinto, and MCCF	Baseline data collected prior to September 2011, Permit Criteria, and Part 632 criteria, and/or baseline data pre-approved by SWP, Rio Tinto, and MCCF.

ATTACHMENT E: STANDARDS, METHODOLOGIES, AND BASELINE DATA FOR POWELL TOWNSHIP AIR QUALITY MONITORING

1. PROGRAM IMPLEMENTATION AND QUALITY ASSURANCE

1.1 Annual Work Plan

- a) The Annual Work Plan will detail the monitoring methodology, including: target pollutant(s), type and number of monitors, monitoring location(s), collection frequency, coincident meteorological data collection, data handling and analysis, instrument calibration, and QA/QC procedures
- b) An Air Quality Monitoring Plan may be submitted to the Air Monitoring Unit, MDEQ for review and technical oversight

1.2 Quality Assurance

- a) Sampling will adhere to State of Michigan and EPA approved protocols
- b) Monitoring equipment installation, operation, calibration, and QA/QC to be handled by an experienced independent third party
- c) Laboratory analyzing samples will have State of Michigan and Federal Certifications for all EPA methods used in the analysis of samples.

1.3 Elements of the Air Monitoring Program

1.3.1 Target Pollutants(s) and Equipment

- a) Inorganic PM10 with metals analysis, in accordance with a U.S. EPA-designated reference or equivalent sampling method, and relevant portions of the U.S. EPA's Quality Assurance Handbook for Air Pollution Measurement Systems, Volumes I through III
- b) Meteorological station consisting of wind direction, wind speed, temperature, relative humidity, barometric pressure, precipitation, and solar radiation instrumentation on a 10-meter tower

1.3.2 Siting

- a) One PM10 monitor and meteorological station along the western boundary of the community of Big Bay. The location should be free from obstructions to the air pathway, stationary or mobile source interference, and monitors should not be located along a wind vector that includes other PM10 sources
- b) Meteorological tower placement should follow the siting guidance specified in the U.S. EPA's Quality Assurance Handbook for Air Pollution Measurement Systems, Volume IV: Meteorological Measurements

1.3.3 Monitoring Period

- a) Implement monitoring program in October 2012, prior to commencement of Eagle Mine operations (ore production and processing) to establish baseline data along the wind vector aligning the mine to the monitoring station
- b) Conduct monitoring for at least three years after Eagle Mine commences maximum production levels

ATTACHMENT E: STANDARDS, METHODOLOGIES, AND BASELINE DATA FOR POWELL TOWNSHIP AIR QUALITY MONITORING

Rio Tinto Eagle Mine Community Environmental Monitoring Program Agreement

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1.3.4 Data Analysis and Publication

- a) Standards and baseline data for Powell Township Air Quality Monitoring are included in Table 2 - Standards and Baseline Data for Supplemental Monitoring.
- b) Data will be published in accordance with procedures described in the Communication Plan included in the Annual Work Plan including procedures for data processing, notification process, and schedule.

ATTACHMENT F: EXAMPLE OF A MONITORING WORK PROGRAM IN THE CEMP WORK PLAN

MONITORING TASK	SITE(S)	PARAMETERS	STANDARDS	BASELINE DATA*	FREQUENCY	POTENTIAL IMPACTS*
1. Verification Monitoring Groundwater Elevations - Data review/trends analysis	All	Continuous, Daily and Monthly Groundwater Elevations	Standards required by Part 832 Mining Permit	Baseline data collected prior to September 2011	Monthly	GM1, GM6
2. Verification Monitoring Groundwater Quality – Side by Side Sampling	2-3	DO, ORP, pH, specific conductivity, temperature, turbidity, metals	MDEQ OpMemo, Standards required by Part 832 Mining Permit and Groundwater Discharge Permit	Baseline data collected prior to September 2011	Quarterly	GM2, GM3, GM4, GM5,
3. Verification Monitoring Surface Water Quality - Data review/trends analysis	All	Continuous temperature, conductivity, and flow	MDEQ OpMemo, Standards required by Part 832 Mining Permit	Baseline data collected prior to September 2011	Monthly	SM1, SM2, SM3, SM4
4. Verification Monitoring Surface Water Quality – Side by Side Sampling	2-3	DO, pH, specific conductivity, temperature, metals	MDEQ OpMemo, Standards required by Part 832 Mining Permit	Baseline data collected prior to September 2011	Quarterly	SM5, SM6, SM7,
5. Verification Monitoring Surface Water Quality - Data review/trends analysis	All	Macroinvertebrate Community, fish, and habitat	MDEQ Procedure 51, Standards required by Part 832 Mining Permit	Baseline data collected prior to September 2011	Annually	SM1-SM6
6. Verification Monitoring – Split Sampling	TDRSA Primary Contact Water Sump, Leak Detection Sump	Parameters required by mining permit	Standards required by Part 832 Mining Permit	Baseline Data collected prior operations (ore production)	TDRSA Primary – Quarterly LDS – Periodically	GM3, SM3
7. Verification Monitoring – Split Sampling	Wastewater Treatment Facility Effluent to TWIS	Parameters required groundwater discharge permit	Standards required by Part 832 Mining Permit and Groundwater Discharge Permit	Baseline Data collected prior operations (ore production)	Quarterly	GM5, SM5
8. Additional Monitoring – Powell Township Air Quality Monitoring	One Air/Met Station just west of Big Bay	PM 10, metals	National Ambient Air Quality Standards and Michigan Air Toxic Screening Levels	Baseline Data collected prior operations (ore production), data from regional stations as appropriate	PM10 weekly, metals quarterly	AM1-AM5

* Risk Assessment Codes for Eagle Mine, Humboldt Mill, and Transportation Route

ATTACHMENT G: INITIAL COMMUNITY OUTREACH WORK PLAN

Category	Detail	Timing
Develop Key Messages	<ul style="list-style-type: none"> • Purpose and Structure of CMP/Independence • Flow Chart (Roles of SWP, MCCF) • Monitoring already done at Eagle mine. • Data Publication (How Data is Shared, Scorecard, etc.) • FAQ • Press Release Language 	September 2012
Independent Website Development	<ul style="list-style-type: none"> • SWP Web page • MCCF Web page (link) • Scorecard for Data Publication • Portal for Data Publication • SWP input into Eagle Mine's community scorecard 	September – October 2012
Media Outreach	<ul style="list-style-type: none"> • Kick-off Press Event • Press Release(s) to Media Outlets • Coverage of Independent Monitoring • Coverage of Public Meetings/Public Input • Coverage of Initial and Subsequent Reporting • Coverage to Repeat Messages 	September 2012, Recurrent
Community Meetings & seek community input	<ul style="list-style-type: none"> • Hold community forums in Marquette City, Powell Township, Humboldt Township, Baraga and Michigamme Township. • Respond to Meeting Invitations • Deliver Key Message/Deliver Current Results 	By the end of December 2012 TBD, Recurrent

ATTACHMENT H: LIST OF ORGANIZATIONS FROM WHOM THE PARTIES MAY SEEK RECOMMENDATIONS ON POTENTIAL PEER REVIEWERS

1. Union of Concerned Scientists
2. North Jackson Company
3. Horizon Environmental
4. Interrallogic
5. Golder
6. AEM
7. King and McGregor
8. Lorax
9. Mark Logsdon
10. AECOM
11. Trimedia Environmental
12. Helmar Bayer

ATTACHMENT H: LIST OF ORGANIZATIONS FROM WHOM THE PARTIES MAY SEEK
RECOMMENDATIONS ON POTENTIAL PEER REVIEWERS

Rio Tinto Eagle Mine Community Environmental Monitoring Program Agreement

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ATTACHMENT I: EAGLE HEALTH AND SAFETY REQUIREMENTS

General:

Health and safety at Rio Tinto's Eagle Mine is managed in accordance with internal Rio Tinto health and safety performance standards and with regard to regulatory compliance requirements established by The Mine Act and enforced by the U.S. Mine Safety and Health Administration under Title 30 of the Code of Federal Regulations Parts 50, 56 and 57. These requirements establish minimum training and health and safety conformance requirements for the mining industry and for all persons who are exposed to mining related hazards and/or who conduct work activities on a mining site. Environmental monitoring and sampling is considered a work activity for the purpose of these requirements.

Intent:

All of the requirements are based around a single purpose – keeping people safe! The goal at Rio Tinto is *Zero Harm*.

Scope of requirements for the Community Environmental Monitoring Program (CEMP):

In that regard, work activities undertaken by the Superior Watershed Partnership (SWP) as part of the CEMP must meet the applicable MSHA and Rio Tinto health and safety requirements when conducted at the following locations:

- Mine site (any areas within and immediately adjacent to the Mine perimeter fence line)
- Mill site (including the pit and associated railway rights-of-way)
- Any active Rio Tinto Exploration drill site
- Any active Rio Tinto Eagle construction site (including roadway construction corridors)

All of these locations are generically referred to as mine sites for the purpose of MSHA and Rio Tinto health and safety requirements.

Training:

The following training requirements apply to SWP staff and contractors who will conduct work activities under the CEMP:

MSHA:

- a. SWP staff and contractors must possess a current MSHA certificate of training (new miner or refresher) for surface metal/non-metal mining operations.
- b. If a current certificate is not held, MSHA New Mining training (24-hour) for surface metal/non-metal mining operations must be completed, or
- c. MSHA Annual Refresher or Experienced Mine (8-hour) training for surface metal/non-metal mining operations must be completed.
- d. Training certification must be kept current and Annual Refresher training (8-hour) must be completed each year.
- e. Copies of training certificates should be provided to Rio Tinto.

MSHA training can be arranged through Bell Hospital's safety training program run out of their Negaunee facility. Cost of training will be SWP's responsibility.

Rio Tinto/MSHA required:

- a. SWP staff and contractors must receive a Rio Tinto site induction, hazard awareness training and an overview of required Rio Tinto procedures (~4-hours).
- b. Site induction and hazard training must be renewed annually (~30 to 60 minutes).

This training will be provided by Rio Tinto at no-charge to SWP.

Exception for periodic visitors:

- a. SWP leadership and governance staff (e.g. Board members) who do not perform work activities but who may periodically observe monitoring activities do not require MSHA training, but will be required to complete Site Hazard Training (~20-minutes). This training will be conducted by Rio Tinto at the security gates prior to entry onto the mine site.

Site access, Sign-in and Escorts:

- a. Before commencing work activities, SWP staff and contractors must sign-in at the respective security gates and must sign-out when the work is completed.
- b. SWP staff and contractors conducting work activities must be escorted by a member of Rio Tinto staff or a designated Rio Tinto contractor when working on a mine site.

Advance notice:

- To ensure that Rio Tinto can properly support SWP and its contractor needs when CEMP work requires access to a mine site, SWP should endeavor to provide Rio Tinto with a minimum of two-weeks advance notice.
- When unplanned monitoring or issue based sampling is required, SWP should attempt to provide Rio Tinto with at least three to five days advance notice.

Personnel protective equipment (PPE):

The following PPE is required for all persons conducting work activities at a Rio Tinto Eagle mine site:

- Long pants and shirts with sleeves
- Hard hat
- Steel toed boots (ASTM standard)
- Safety glasses with side shields
- Class II reflective vest, shirt or jacket
- Other seasonably appropriate dress to protect from the elements
- Hearing protection*
- Personal flotation devices when working within 10-feet of water hazard*

**Rio Tinto will provide as required.*

Vehicles:

- Pursuant to MSHA requirements, any vehicle operated on a mine site is subject to unannounced inspection by MSHA agents and must meet the following requirements
 - Must have a documented pre-inspection* form available for the current period of use.
 - Must be chocked* or parked in a fundamentally stable manner when on a mine site.
 - Must be in sound mechanical condition and not have damaged or broken glass which impedes the drivers vision.
 - Must have fully functional headlights, taillights, back-up lights and an operable horn.

**Rio Tinto will provide equipment/forms to SWP to assist with meeting this requirement as needed.*

Drug and alcohol use:

- Rio Tinto Eagle Mine is a drug and alcohol free site. Personnel visiting and conducting work at Eagle Mine must not be under the influence of, nor in possession of drugs and alcohol. Alcohol must not be carried or stored in vehicles entering or operating on a Rio Tinto mine site (even if in the trunk or in a secured cooler).

EXHIBIT B: CEMP BOARD SELECTION CRITERIA

SDS Online Application Development Form

CEMP Board

Position Title: Environmental Sciences Experience

Minimum requirements: (Answering “no” to any of the below requirements would eliminate the respondent from the application process)

1. 18 years or older
2. Resident of the Upper Peninsula

Background questions: Will not “knock out,” but will be weighted heavily

1. Have you worked in the Environmental Sciences field?

- Yes
- No
- If Yes, please describe

2. In what major field of study did you receive your college degree?

- Environmental Science
- Geology
- General Sciences
- Other (please specify)
- I do not have a college degree

3. Have you ever had any involvement with local non-profit or community organizations?

- Yes
- No
- If yes, please describe

4. While serving on committees, have you had any experience in dispute resolution?

- Yes
- No
- If yes, please describe

5. How long have you resided in the Upper Peninsula?

- Less than five years
- Five or more years

6. Why are you interested in serving on this committee?

Open-ended

7. Are you aware of any potential conflicts of interest in serving on this board?

- Yes
- No
- If yes, please explain

Additional “Knock-Out’s”: (Any of the following answers will eliminate the respondent from the application process)

1. If appointed how long prefer to serve on the board?
 - Less than 3 months
 - 3 months to one year
 - 1-3 years
 - 3+ years (preferred answer)
 - I don’t know (will not knock out)

Self Rating Questions: (Candidates will be asked to rate themselves on a scale)

1. Regardless of your support for or opposition to the Kennecott Eagle Mine, is your opinion set, or could you be persuaded to change it given additional data/evidence?

- 1 (Would definitely change opinion based on evidence)
- 2 (Would probably change opinion based on evidence)
- 3 (Might change opinion based on evidence)
- 4 (Probably would not change opinion based on evidence)
- 5 (My opinion is set and will not change given new evidence)

2. When making decisions, do you:

- 1 (Trust your gut completely)
- 2 (Mostly trust your gut)
- 3 (Follow a combination of gut and evidence)
- 4 (Mostly follow evidence)
- 5 (Completely follow evidence)

Level of Expertise Competencies: (see table on next page)

Directions:

Step 1. Indicate whether each competency is job relevant by Y (keep) or N (delete).

Step 2. Score the importance level for each competency (1-10) with 1 = Not at all relevant and 10 = Absolutely critical.

Step 3. Using the level of expertise scale, rate the expected level of expertise for each competency in question for this position-level. The expected value is the value that an “adequate” (not terrible but not great) candidate would most likely answer.

Step 4. For each competency check the knock out box if a score of 1 (none) should be considered a “knock-out” answer, **eliminating** the respondent from the application process. For example, if the applicant must have some degree of mathematics ability then check the box to eliminate candidates who answer a 1 (none) to the mathematics question.

Step 5. If you would like to add any additional competencies, enter them in the blank rows provided and rate them accordingly.

Competency	Step 1	Step 2	Step 3					Step 4
	Relevant? (Y/N)	Importance? (0-10)	Level of Expertise Scale					Knock-out?
			None 1	2	3	4	Expert 5	
Example: Working in an industrial environment	Y	5			X			n/a
Knowledge of Environmental laws/regulation	Y	8				X		Y
Awareness of local geography/ecosystems	Y	7				X		
Knowledge/Understanding of Watersheds	Y	8				X		Y
Communication skills	Y	8				X		
Serving on boards	Y	8				X		Y
Understanding of financial statements	Y	7			X			
Unbiased examination of facts	Y	8				X		
Ability to examine and understand scientific data	Y	8				X		Y
Listening skills	Y	8				X		
Conflict/dispute resolution	Y	6			X			

SDS Online Application Development Form

CEMP Board

Position Title: Mining Experience

Minimum requirements: (Answering “no” to any of the below requirements would eliminate the respondent from the application process)

1. 18 years or older
2. Resident of the Upper Peninsula

Background questions: Will not “knock out,” but will be weighted heavily

2. Have you ever worked in Mining?

- Yes
- No
- If Yes, please describe

2. In what major field of study did you receive your college degree?

- Engineering
- Geology
- Chemistry
- General Sciences
- Other (please specify)
- I do not have a college degree

3. Have you ever had any involvement with local non-profit or community organizations?

- Yes
- No
- If yes, please describe

4. While serving on committees, have you had any experience in dispute resolution?

- Yes
- No
- If yes, please describe
-

5. How long have you resided in the Upper Peninsula?

- Less than five years
- Five or more years

6. Why are you interested in serving on this committee?

Open-ended

7. Are you aware of any potential conflicts of interest in serving on this board?

- Yes
- No
- If yes, please explain

Additional “Knock-Out’s”: (Any of the following answers will eliminate the respondent from the application process)

2. If appointed how long prefer to serve on the board?
 - Less than 3 months
 - 3 months to one year
 - 1-3 years
 - 3+ years (preferred answer)
 - I don't know (will not knock out)

Self Rating Questions: (Candidates will be asked to rate themselves on a scale)

1. Regardless of your support for or opposition to the Kennecott Eagle Mine, is your opinion set, or could you be persuaded to change it given additional data/evidence?

- 1 (Would definitely change opinion based on evidence)
- 2 (Would probably change opinion based on evidence)
- 3 (Might change opinion based on evidence)
- 4 (Probably would not change opinion based on evidence)
- 5 (My opinion is set and will not change given new evidence)

2. When making decisions, do you:

- 1 (Trust your gut completely)
- 2 (Mostly trust your gut)
- 3 (Follow a combination of gut and evidence)
- 4 (Mostly follow evidence)
- 5 (Completely follow evidence)

Level of Expertise Competencies: (see table on next page)

Directions:

Step 1. Indicate whether each competency is job relevant by Y (keep) or N (delete).

Step 2. Score the importance level for each competency (1-10) with 1 = Not at all relevant and 10 = Absolutely critical.

Step 3. Using the level of expertise scale, rate the expected level of expertise for each competency in question for this position-level. The expected value is the value that an “adequate” (not terrible but not great) candidate would most likely answer.

Step 4. For each competency check the knock out box if a score of 1 (none) should be considered a “knock-out” answer, **eliminating** the respondent from the application process. For example, if the applicant must have some degree of mathematics ability then check the box to eliminate candidates who answer a 1 (none) to the mathematics question.

Step 5. If you would like to add any additional competencies, enter them in the blank rows provided and rate them accordingly.

Competency	Step 1	Step 2	Step 3					Step 4
	Relevant? (Y/N)	Importance? (0-10)	Level of Expertise Scale					Knock-out?
			None 1	2	3	4	Expert 5	
Example: Working in an industrial environment	Y	5			X			n/a
General knowledge of the Mining industry	Y	8				X		Y
General knowledge of environmental regulation	Y	6			X			Y
Knowledge of hard rock mining	Y	8				X		
Understanding of the sulfide mining process	Y	7			X			
Understanding of underground mining	Y	7			X			
Communication skills	Y	8				X		
Serving on boards	Y	8				X		Y
Understanding of financial statements	Y	7			X			
Unbiased examination of facts	Y	8				X		
Ability to examine and understand scientific data	Y	8				X		Y
Listening skills	Y	8				X		
Conflict/dispute resolution	Y	6			X			

SDS Online Application Development Form

CEMP Board

Position Title: Community Member Representative

Minimum requirements: (Answering “no” to any of the below requirements would eliminate the respondent from the application process)

1. 18 years or older
2. Resident of the Upper Peninsula

Background questions: Will not “knock out,” but will be weighted heavily

1. In what major field of study did you receive your college degree?

- Engineering
- Geology
- Education
- General Sciences
- Other (please specify)
- I do not have a college degree

2. Have you ever had any involvement with local non-profit or community organizations?

- Yes
- No
- If yes, please describe

3. While serving on committees, have you had any experience in dispute resolution?

- Yes
- No
- If yes, please describe

4. How long have you resided in the Upper Peninsula?

- Less than five years
- Five or more years

5. Why are you interested in serving on this committee?

Open-ended

6. Are you aware of any potential conflicts of interest in serving on this board?

- Yes
- No
- If yes, please explain

Additional “Knock-Out’s”: (Any of the following answers will eliminate the respondent from the application process)

3. If appointed how long prefer to serve on the board?
 - Less than 3 months
 - 3 months to one year
 - 1-3 years
 - 3+ years (preferred answer)
 - I don’t know (will not knock out)

Self Rating Questions: (Candidates will be asked to rate themselves on a scale)

1. Regardless of your support for or opposition to the Kennecott Eagle Mine, is your opinion set, or could you be persuaded to change it given additional data/evidence?

- 1 (Would definitely change opinion based on evidence)
- 2 (Would probably change opinion based on evidence)
- 3 (Might change opinion based on evidence)
- 4 (Probably would not change opinion based on evidence)
- 5 (My opinion is set and will not change given new evidence)

2. When making decisions, do you:

- 1 (Trust your gut completely)
- 2 (Mostly trust your gut)
- 3 (Follow a combination of gut and evidence)
- 4 (Mostly follow evidence)
- 5 (Completely follow evidence)

Level of Expertise Competencies: (see table on next page)

Directions:

Step 1. Indicate whether each competency is job relevant by Y (keep) or N (delete).

Step 2. Score the importance level for each competency (1-10) with 1 = Not at all relevant and 10 = Absolutely critical.

Step 3. Using the level of expertise scale, rate the expected level of expertise for each competency in question for this position-level. The expected value is the value that an “adequate” (not terrible but not great) candidate would most likely answer.

Step 4. For each competency check the knock out box if a score of 1 (none) should be considered a “knock-out” answer, **eliminating** the respondent from the application process. For example, if the applicant must have some degree of mathematics ability then check the box to eliminate candidates who answer a 1 (none) to the mathematics question.

Step 5. If you would like to add any additional competencies, enter them in the blank rows provided and rate them accordingly.

Competency	Step 1	Step 2	Step 3					Step 4
	Relevant? (Y/N)	Importance? (0-10)	Level of Expertise Scale					Knock-out?
			None 1	2	3	4	Expert 5	
Example: Working in an industrial environment	Y	5			X			n/a
Conflict/dispute resolution	Y	7				X		Y
General knowledge of environmental regulation	Y	6			X			Y
Communication skills	Y	8				X		
Serving on boards	Y	8				X		Y
Understanding of financial statements	Y	7			X			
Unbiased examination of facts	Y	8				X		
Ability to examine and understand scientific data	Y	6				X		Y
Listening skills	Y	8				X		
Working with/familiarity with non-profit organizations	Y	7			X			

EXHIBIT C: CEMP BOARD BYLAWS

ARTICLE I: NAME

The name of this Board is the Community Environmental Monitoring Program Board (“CEMP Board”), as established by the Community Environmental Monitoring Program Fund Agreement (“Fund Agreement”) between Kennecott Eagle Minerals Company, doing business as Rio Tinto Eagle Mine (“Eagle”) and the Marquette County Community Foundation. (“MCCF”).

ARTICLE II: PURPOSE

2.1 **General Purpose.** The CEMP Board is organized exclusively to oversee all aspects of the Community Environmental Monitoring Program (“CEMP”) to be funded by Eagle and to be implemented by Superior Watershed Partnership (“SWP”).

2.2 **Specific Purposes and Objectives.** The details of how the CEMP will be implemented are contained in the CEMP Agreement between Eagle and SWP (“CEMPA”), which is an exhibit to the Fund Agreement and includes but is not limited to the following:

- a. Oversee funding of the Community Environmental Monitoring Program non-endowed Fund by Eagle.
- b. Ensure that the CEMP is implemented consistent with the requirements, standards and procedures in the CEMPA and its attachments.
- c. Convene meetings as requested by SWP or Eagle including meetings to resolve differences about the implementation of the CEMP according to the terms of the CEMPA.
- d. Approve payment of all invoices for work done consistent with the CEMPA and the Fund Agreement.
- e. Conduct peer reviews when SWP and Eagle request such a peer review to resolve technical issues in the CEMP.
- f. Ensure that any third party funding of the CEMP work complies with the standards and procedures of the CEMPA.
- g. Provide information to the community regarding the CEMP, particularly the structure to protect the independence of the CEMP, with the assistance of SWP and Eagle Mine.

2.3 **Other Purposes.** The CEMP Board may engage in other activities necessary to foster the independent implementation of the CEMP.

ARTICLE III: CEMP BOARD

3.1 **Number of Board Members.** The Board shall consist of five (5) volunteer members appointed to the Board by the MCCF Board of Directors and the Keweenaw Bay Indian Community (KBIC) according to the composition and selections process designated in the Fund Agreement.

3.2 **Qualifications.** Any person may be nominated to serve on the Board provided the person is of the age of majority in Michigan, resides in the Upper Peninsula of Michigan, and meets the qualification criteria designated in Fund Agreement.

3.3 **Term.** The term of any member of the Board of Directors shall be for three (3) years. Any member may serve an indefinite number of terms as long as he/she continues to meet the qualifications set forth in Article 3.2.

3.4 **Resignation.** Any member of the Board may resign at any time by submitting his or her resignation in writing to the Chairman of the Board.

3.5 **Duties of the Board of Directors.** It shall be the duty of the Board to:

- a. Review the annual CEMP Work Plan and budget submitted by SWP to ensure that all work planned for the following year is consistent with the purposes and goals of the CEMP as defined in the Fund Agreement.
- b. Upon approval of the CEMP Work Plan budget, notify Eagle of the approval and remit a written payment request to Eagle in a form agreed between Eagle and the Board.
- c. Review monthly invoices submitted by SWP and if the Board determines that the work done was consistent with the standards established in the CEMPA, approve payment of the SWP invoices. The Board may accept a certification by an SWP authorized officer that all work invoiced was done consistent with the standards and procedures in the CEMPA as proof of consistency with the CEMPA, thus obviating a need for the Board to review individual invoice entries. If required, the Board may request that SWP provide additional documentation of how the work done was consistent with the CEMPA.
- d. Where Eagle provides an objection to the certification of the SWP authorized officer, the Board shall convene a meeting between the SWP and Eagle within 21 days of receipt of the objection, hear from both sides and make a decision about whether the invoiced work done by SWP is consistent with the standards and procedures of the CEMPA.
- e. Meet at such times and places as required by these Bylaws.

3.6 **Compensation.** Board members shall serve without compensation.

3.7 **Vacancies.** In the event a Board member tenders a written resignation or becomes unable or unwilling to fulfill his or her duties, the MCCF Board may replace the Board member for the duration of the unexpired term. The MCCF Board will use the criteria set forth in Exhibit B to the Funding Agreement in appointing such temporary Board members, including an assessment of how such a member will assist the Board in its functions.

If the opening on the Board is of the Anishnabe member, the MCCF Board will solicit KBIC's nomination for that position. If the KBIC does not wish to nominate for that position at that time, the CEMP Board Chair, with the approval of the MCCF Board, will select someone to temporarily fill that position. The CEMP Board Chair will select someone that he believes is able to assist the functions of the CEMP Board. The Chair will apply the selection criteria at Exhibit B of the Funding Agreement (Community Member representative) in making this selection. If the KBIC nominates for the Anishnabe member position at any time, the temporary appointment will be asked to step down so the KBIC nominee can take that position.

3.8 **Removal of Board Member.** A Board member may be removed by the MCCF Board.

ARTICLE IV: OFFICERS AND COMMITTEES

4.1 **Officers.** Officers of this Board shall be the Chairman of the Board and Secretary to the Board.

4.2 **Chairman.** The Chairman shall preside over all meetings of the Board and exercise a vote. The MCCF representative to the Board shall serve as the Chairman of the Board. The Chairman will set the date for the annual meeting of the Board and such other meetings as may be required to fulfill the purposes of the Board. The Chairman shall be responsible for ensuring that the operations of the Board are in accord with these bylaws and all applicable laws and regulations.

4.3 **Secretary.** The Secretary shall keep minutes of the meetings of the Board, distribute such minutes to the Board members, send meeting notices to all members of the Board and attend to all correspondence as directed by the Chairman. The Director of the MCCF shall serve as the Secretary to the Board, but will not have a vote on the Board. If the Secretary is unable to attend a meeting of the Board, the Chairman shall assign a member of the Board to keep minutes of the meeting and to distribute such minutes to the rest of the Board members.

4.4 **Committees.** The Board may appoint such committees as from time to time shall be designated by a resolution of the Board. These committees may consist of persons who are not members of the Board and shall act in an advisory capacity to the Board.

ARTICLE V: MEETINGS

5.1 **Annual Meeting.** The Annual Meeting of the Board shall be held in the last two weeks of November, after issuance of the updated CEMP Work Plan by SWP, the time and date to be set by the Chairman. The purpose of the Annual Meeting will be to review the SWP Work Plan and budget, review the implementation of the CEMP by SWP and Eagle, and issue a brief report to SWP and Eagle, including any recommendations for how implementation of the CEMP may be improved. If for any reason the Annual Meeting is not held in November, the Annual Meeting will be held upon notice required of a special meeting.

5.2 **Special Meeting.** Upon the request of any two (2) Board members for a special meeting, the Chairman will call a special meeting of the Board.

5.3 **Meeting Notice.** The Secretary will provide ten days' notice of the Annual Meeting or any special meeting to every current member of the Board by first class mail, telephone or email. If by email, a return confirmation is required.

5.4 **Quorum.** A majority of members either present or by proxy shall constitute a quorum for any meeting of the Board. Members may attend a Board meeting by teleconference with the approval of the Chairman.

5.5 **Proxy Votes.** Each voting member of the Board may designate another voting member as proxy provided written authorization if filed with the Secretary prior to any vote. Such authorization shall be dated and be good for only the specified meeting.

5.6 **Voting.** Each member of the Board is entitled to one vote, either in person or by proxy. The Board shall attempt to make decisions by consensus. If the Board cannot reach consensus on an issue, a majority vote of the members of the Board present at a meeting or by proxy shall be controlling.

ARTICLE VI: DISPUTE RESOLUTION PROCESS

6.1 The Board will resolve any disputes between SWP and the Eagle that cannot be resolved by those parties informally. The Board will resolve disputes over technical issues using the Peer Review Process specified in the CEMPA. All other disputes will be resolved by the Board after hearing the positions of the parties.

6.2 The Peer Review Process is specified in the CEMPA, but generally consists of SWP and Eagle notifying the Board of the issue requiring resolution, including an agreed expert with technical expertise in the subject that is in dispute. If SWP and Eagle cannot agree on the peer reviewer, they shall each provide to the Board two nominees for peer reviewer and the Board shall select the peer reviewer.

6.3 The Board shall oversee the Peer Review Process including setting deadlines for submission of position statements, ensuring that the peer reviewer has access to all relevant data and issuance of the peer reviewer's decision to SWP and Eagle upon receipt by the Board.

ARTICLE VII: COMMUNITY OUTREACH AND COMMUNICATONS

The Board is responsible for ensuring that the community is kept informed of the CEMP work, including release to the public of all data and agreements related to the CEMP. Under the CEMPA, SWP has responsibility for making the data public, and both SWP and Eagle will make best efforts to cooperate with and support any Board efforts at community outreach and communications.

ARTICLE VIII: AMENDMENTS

The MCCF Board of Directors may amend these Bylaws.

ARTICLE IX: CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the Fund Agreement, the provisions of the Fund Agreement shall govern.

ARTICLE X: EFFECTIVE DATE OF THESE BYLAWS

These Bylaws shall be effective when approved by the MCCF Board of Directors, and when at least four (4) members of the Board have accepted in writing their appointment to the Board by the MCCF Board of Directors.

ARTICLE XI: CHOICE OF LAW AND SEVERANCE

11.1 The construction, validity and terms of these Bylaws shall be governed by and construed in accordance with the laws of the State of Michigan.

11.2 In the event that any condition or other provision of these Bylaws may be held to be invalid or void by any competent tribunal, the same shall be deemed severable from the remainder of these Bylaws and shall in no way affect any other provision or article; provided, however, should the results of such severed provision materially make the provisions of these Bylaws meaningless, then the Board shall immediately reform the same.

ARTICLE XII: DISSOLUTION

The MCF Board may dissolve the Board.