

**First Amended Community Environmental Monitoring
Program Agreement**

By and between

Eagle Mine LLC

And

**Superior Watershed Partnership
May 8, 2014**

**Funded through the
Marquette County Community Foundation**

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LIST OF ABBREVIATIONS

Eagle Mine or Eagle	Eagle Mine, a Lundin owned company
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 Mine’s operations.

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.

- (b) **Eagle Mine** is a Lundin-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://eaglemine.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 CEMP 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.

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 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:

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.

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.

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) **Oversight of the CEMP:** The CEMP Committee, an independent Committee of volunteers representing the community at large, will oversee the CEMP. The CEMP Committee will be a Committee of the MCCF and will be accountable to the MCCF Board. The CEMP Committee will be separate from both SWP and Eagle Mine and will have five members who will be representative of the community interested in Eagle's impact on the environment. The MCCF will select four members and the Keweenaw Bay Indian Community will be invited to select one member. CEMP Committee members will be volunteers. More detail on the CEMP Committee can be found in section 6. CEMP oversight will be limited to assisting SWP and Eagle in resolving any disputes that arise between them regarding the CEMP and to determining that implementation of the CEMP is consistent with this CEMPA and the CEMPFA. All CEMP Committee reports and meeting minutes will be made public once approved by the MCCF Board by posting on the CEMP web site.
 - (f) **Funds to pay for the CEMP:** Eagle will pay for the CEMP by putting money into a special project fund with the MCCF. The MCCF Board will oversee this fund and will pay 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 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 Committee 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 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 put 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 Committee. 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 a special project fund held by the MCCF with oversight by the CEMP Committee. 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.

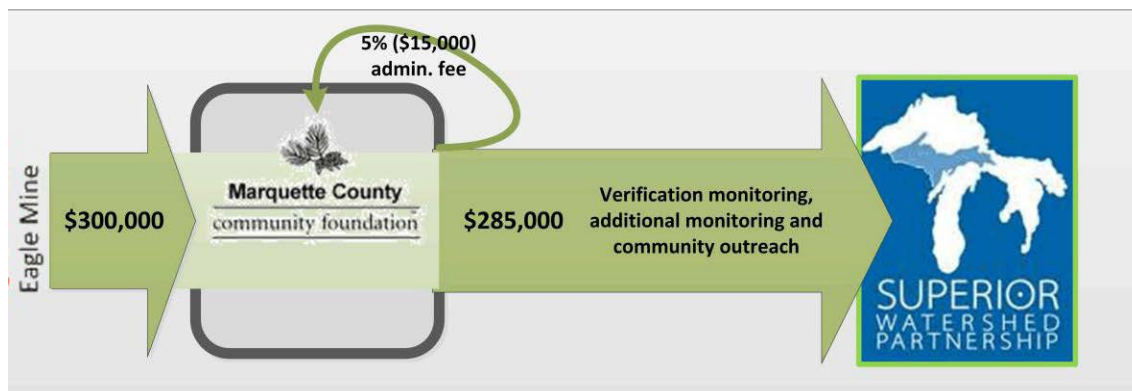


Figure 1 Eagle Mine funding of the CEMP

(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 for the coming year to the CEMP Committee by 15 November. SWP will also tell the Committee of any invoices it plans to submit before 31 December and estimate their value.
2. The CEMP Committee will review and approve the Work Plan by 15 December. The Committee 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 10 December along with the CEMP Work Plan and a report on the CEMP Fund balance. Eagle will pay this invoice by 15 January of the following year.
4. MCCF will send a second invoice to Eagle Mine by 15 May 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 31 December. Eagle will pay this invoice by 1 July.

(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 the rules and standards set out in this agreement.
2. The CEMP Committee will review these invoices. The Committee 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 Committee. Eagle may object to the statement in the invoice. If Eagle objects it must let the Committee 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 Committee 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 MCCF will not pay that part of the invoice unless the objection is resolved in SWP's favor. The MCCF can pay the undisputed part of the invoice.
6. If the invoice is approved, the MCCF 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 special project fund. 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 COMMITTEE

- (a) **Committee membership:** The CEMP Committee will have five members:
1. One Committee member will be selected by the Marquette County Community Foundation to chair the CEMP Committee.
 2. The Keweenaw Bay Indian Community will be invited to select a Committee member to represent The Anishnabe Nation. If The Keweenaw Bay Indian Community does not nominate a representative, the MCCF Board will appoint a member from the community at large.
 3. A further three Committee members will be selected by the MCCF from 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 seek outside assistance for help to choose the CEMP Committee members.
- (b) **Work Plan submission:** SWP must provide its annual work-plan to Eagle Mine by 1 October and to the CEMP Committee by 15 November each year. The CEMP Committee will review the draft Work Plan to determine if the Work Plan is consistent with Section 2 of the CEMPA. If the CEMP Committee determines that any part of the Work Plan is not consistent with the CEMPA or CEMPFA, the CEMP Committee will notify Eagle and SWP so those two parties can clarify or correct the Work Plan.
- (c) **Committee report:** Each year the Committee will write a concise report to both Eagle and SWP about how the CEMP is working, generally. The report will be no longer than seven pages in length and in language easily understood by the general public. This report can also include recommendations for improving operation of the CEMP. This report will be public once approved by the MCCF Board by posting on the CEMP web site.

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 Committee. The Committee will decide which to use. If for some reason the Committee 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 Committee** will decide, 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. Eagle and SWP will provide the peer reviewer with position statements and supporting documentation or data, with copies also provided to the CEMP Committee.
- (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 notifying the CEMP Committee, 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 by posting on the CEMP web site.
- (h) **Disputes about the interpretation of the agreements:** Disputes about the interpretation of this agreement or the CEMPFA between Eagle and SWP will be submitted to the CEMP Committee for a decision. The CEMP Committee may ask outside experts to help resolve the dispute. Eagle Mine and SWP agree to abide by the Committee’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 CEMP web site 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 CEMP web site.
- (c) **Eagle Mine review:** SWP will give Eagle Mine the opportunity to review information that it plans to put on the CEMP web site. 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 Plan, including budget, 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.
- (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.

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.

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, 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 of the originally signed agreement 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 Committee will assist them to address the issues. The assistance of the CEMP Committee 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 Committee 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.

(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 special project 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 Committee 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 Committee 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.

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.

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 Eagle Mine LLC 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 these requirements are.

16. INDEMNITIES

- (a) **Eagle indemnifies SWP and MCCF:** Eagle shall indemnify, protect, defend and hold SWP and the MCCF 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 and MCCF:** SWP shall indemnify, protect, defend and hold Eagle and the MCCF 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. SWP has added Eagle Mine LLC to its General Liability Policy as an additional insured to cover Eagle for any work SWP does connected with the CEMP.

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 the 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 Manager Communities and Social Performance.

Executed by the Parties on this the 8 day of May , 2014:

Superior Watershed Partnership

Eagle Mine LLC

By: Carl Lindquist

By: Mike Welch

Name: Carl Lindquist

Name: Mike Welch

Title: SWP Executive Director

Title: General Manager Eagle Mine