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GOOD NEIGHBOR AGREEMENT

(May 8, 2000)

This Good Neighbor Agreement (the “Agreement”) is effective May 8, 2000 (the “Effective Date”), by and among Stillwater Mining Company, a Delaware corporation (“SMC”), Northern Plains Resource Council, a Montana not-for-profit corporation (“NPRC”), Cottonwood Resource Council, a Montana not-for-profit corporation (“CRC”), and Stillwater Protective Association, a Montana not-for-profit corporation (“SPA”) (NPRC, CRC and SPA are collectively referred to as the “Councils”).

PARTIES

A. Stillwater Mining Company. SMC is a Delaware corporation engaged in the exploration, development, extraction, processing and refining of platinum group metals (PGMs). SMC presently operates mines near Nye, Montana (the “Stillwater Mine”), and southeast of Big Timber, Montana, near the East Boulder River (the “East Boulder Mine”). SMC also owns and operates a refining and recycling complex at Columbus, Montana. SMC shall include SMC successors, partners, subsidiaries, affiliates, and assigns.

B. Northern Plains Resource Council. NPRC is a grassroots organization dedicated to the stewardship of Montana’s air, land, and water and to the preservation of a sustainable system of family agriculture and the rural communities that depend on it. NPRC is a registered nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code of 1986. NPRC was founded in 1972 by ranchers, farmers, and conservationists concerned with proposals for coal and energy development in eastern Montana. Through the years NPRC has worked on a variety of issues including coal and energy development, hard rock mining, air quality, water quality, and responsible management of hazardous wastes.

C. Stillwater Protective Association. SPA is an affiliate of NPRC and registered nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code of 1986. SPA is a local grassroots organization that has been working to protect the quality of life in Stillwater County since 1975. SPA has focused on ensuring that SMC operates the Stillwater Mine without harming the natural environment or human community.

D. Cottonwood Resource Council. CRC is an affiliate of NPRC and registered nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code of 1986. CRC was founded in 1988 by citizens concerned about the impacts of proposed hard-rock mining and other large-scale developments in Sweet Grass County. The CRC mission is to safeguard for future generations the high quality of life in Sweet Grass County, clean air and water, abundant wildlife, and a heritage of cooperation among neighbors. CRC has been actively involved in all phases of the state and federal permitting processes for the East Boulder Mine.

E. Third Party Beneficiaries. Nothing in this Agreement shall be construed to make any other person or entity not executing this Agreement a third-party beneficiary to this Agreement.

RECITALS

The Parties agree as follows:

A. SMC holds the rights to claims covering substantially all the presently identified PGM mineralized zone of the J-M Reef. SMC desires to increase its production of palladium and platinum to 1.2 million ounces of metals by the end of 2001. SMC expansion efforts may have impacts on the local communities, economies, and Environment.

B. SMC conducts Mining Operations subject to federal, state, and local laws and regulations and permits issued pursuant to these governing laws and regulations. SMC may desire to provide for the amendment of its existing permits, licenses, and authorities to facilitate changes in Mining Operations and related business activities. SMC desires to provide for obtaining input from the Councils in connection with proposed permit applications or amendments or changes in Mining Operations or business activities. In furtherance of its Mining Operations and business activities, SMC further desires to place certain restrictions upon lands owned by SMC.

C. The Councils desire to Participate in SMC planning processes that may affect the local communities or the Environment, to provide comments and input with respect to SMC Mining Operations and expansion efforts, and to provide a means for communicating with respect to Issues of Concern that may arise out of or relate to SMC Mining Operations and expansion efforts.

Stillwater Mine Expansion

D. In April of 1996, SMC proposed Amendment #010 to the Stillwater Mine Operating Permit. The purpose of this amendment was to expand Mining Operations at the Stillwater Mine including: the removal of the 2,000 tons-per-day (TPD) production cap, the construction of a new Tailings Impoundment and Waste Rock disposal areas, the construction of additional Water Management Facilities and disposal facilities, and the construction of a Pipeline to these new facilities.

E. The Custer National Forest (CNF) and Montana Department of Environmental Quality (MDEQ) released the draft Environmental Impact Statement (EIS) for the Stillwater Mine Revised Waste Management Plan and Hertzler Tailings Impoundment in March 1998. NPRC and SPA members testified at public hearings and submitted written comments on the draft EIS.

F. On November 12, 1998, the CNF and MDEQ issued the record of decision approving the expansion of Mining Operations at the Stillwater Mine. On February 10,

1999, SPA and NPRC commenced litigation in the First Judicial District Court of Montana, (Lewis and Clark County), NPRC and SPA v. MDEQ, Cause No. 9900103 (the “Pending Litigation”). The lawsuit challenges the MDEQ record of decision approving the proposed expansion under the Montana Environmental Policy Act (MEPA), Metal Mine Reclamation Act (MMRA), and Montana Constitution Article II, Section 2 and Article IX, Sections 1 and 2.

East Boulder Mine Development

G. In 1988, a predecessor to SMC obtained the East Boulder MPDES Permit to discharge wastewater from East Boulder Mine exploration activities into ground waters adjacent to the East Boulder River.

H. In 1993, the Gallatin National Forest (GNF) and Montana Department of State Lands (MDSL) issued the record of decision approving the East Boulder Mine Operating Permit.

I. In 1991, a predecessor to SMC submitted a petition with the Board of Health and Environmental Sciences (BHES) for the modification of the quality of ambient waters adjacent to the East Boulder Mine. CRC and NPRC opposed the petition throughout the administrative process.

J. In 1992, the BHES approved the petition and CRC and NPRC commenced litigation in the First Judicial District Court of Montana (Lewis and Clark County), NPRC et al. v. State of Montana, Cause No. ADV-92-1148. In September of 1995, the parties agreed to dismiss the case without prejudice. The SMC predecessor postponed its plans to develop the East Boulder Mine.

K. In November of 1997, SMC announced plans to proceed with the development of the East Boulder Mine, submitted an application to renew the East Boulder MPDES Permit, and submitted its proposed Water Management Plan, which required an expansion of the permit area. CRC and NPRC requested that the MDEQ and GNF prepare a supplemental EIS for the proposed expansion of the permit area. On May 20, 1999, the MDEQ approved the expansion of the permit area.

L. On January 28, 1999, the MDEQ released the draft East Boulder MPDES Permit. CRC and NPRC members testified at the public hearing and submitted written comments on the draft East Boulder MPDES Permit.

M. In May 1999, the Councils and SMC entered into negotiations in an attempt to resolve certain issues regarding the expansion of the Stillwater Mine and the development of the East Boulder Mine.

CONTRACT

NOW THEREFORE, in consideration of the above background, the covenants, commitments, and conditions contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are acknowledged by the Parties hereto, the Parties hereby agree to be bound by this contract as follows:

SECTION 1 OBJECTIVES

1.0 The objectives of this Agreement shall include the following:

- (a) To minimize the adverse impacts caused by SMC Mining Operations on the local communities, economies, and Environment.

- (b) To establish and maintain a mechanism of open lines of communication between the Parties to address Issues of Concern raised by Councils and the residents of the region impacted by SMC Mining Operations.

- (c) To provide Councils with the opportunity to Participate in SMC decisions that may impact the local communities, economies, or Environment. For the purposes of this Agreement, “Participate” means that SMC shall provide Councils with access to Information and notice of proposals and meetings before final decisions are made. The purpose of this access and notice is to provide Councils with the opportunity to provide meaningful input and advice to SMC decision-makers before final decisions are made. For Arbitrable Issues, this right to Participate includes a vote in the decision-making process, subject to the limitations set forth in Section 9.4 and Appendix D (Arbitration).

- (d) To bind SMC and SMC successors, partners, subsidiaries, affiliates, and assigns to this Agreement for the life of Mining Operations.

- (e) To minimize future litigation between Councils and SMC by utilizing the processes and mechanisms established by this Agreement to resolve disputes.

SECTION 2 DEFINITIONS

2.0 In addition to the definitions of the capitalized terms stated in other sections of this Agreement, the capitalized terms when used in this Agreement and Appendices shall have the definitions found in Appendix A (Definitions).

SECTION 3 ACCESS TO INFORMATION AND CONFIDENTIAL INFORMATION

3.0 Definition of Information. “Information” means “all data, sampling results, studies, reports, evaluations, plans, projects, audits, transcripts, and other Documents derived from or collected under this Agreement.” All Information shall be part of the public domain and shall not be subject to any requirement of confidentiality or non-disclosure, unless such Information is Confidential Information. The Information designated in Appendix B shall not be considered Confidential Information under any circumstances.

3.1 Disclosure. Upon receipt of Information, SMC shall immediately disclose all Information to the Designated Councils Representatives including any Information in SMC’s judgment to be Confidential Information. “Designated Councils Representatives” means Councils Oversight and Technology Committee Representatives and Designated Councils Staff and Consultants designated in Appendix C. Councils shall designate such staff and consultants within 30 days of the Effective Date. Councils may amend the list of Designated Councils Staff and Consultants (Appendix C) by providing SMC with Notice of any changes.

3.1.1 Limitation. Nothing in this Section shall be construed to compel SMC to disclose Information if the disclosure to Councils would violate any applicable federal or state law or regulation. Upon receipt of such Information, SMC shall notify Councils designated legal representative of the general nature of such information.

3.2 Additional Disclosure. Upon receipt of such Information, SMC shall disclose to the Designated Councils Representatives all information required to be disclosed by Federal and State Environmental Laws and Regulations. SMC shall disclose such information as soon as possible but no later than when such information is required to be disclosed by law or regulation.

3.3 Additional Requests. SMC shall comply with reasonable written requests made by the Designated Council Representatives for additional non-Confidential Information within 30 days.

3.4 Confidential Information. “Confidential Information” shall be limited to “Trade Secrets” and “Confidential Business Information”, which shall be defined as follows:

3.4.1 “Trade Secrets” means a commercially valuable plan, formula, process, or device that is used for making, preparing, compounding, or processing of trade commodities and that can be said to be the end product of either innovation or substantial effort. The Parties intend the definition of Trade Secrets to be identical to the definition of Trade Secrets under the Freedom of Information Act, 5 USC 552 *et seq.* (1988).

3.4.2 “Confidential Business Information” (CBI) means commercial and financial information obtained from a person and privileged or confidential; the disclosure of which is likely to cause substantial harm to the competitive position of SMC. The Parties intend the definition of CBI to be identical to the definition of CBI under the Freedom of Information Act, 5 USC 552 *et seq.* (1988).

3.5 Process. SMC shall clearly label and mark any portions of such Information which in SMC’s judgment are Confidential Information. When disclosing Confidential Information to Designated Councils Representatives, SMC shall:

3.5.1 Submit Confidential Information separately from other Information; and

3.5.2 Substantiate the claim of confidentiality by providing a written statement stating:

(a) The rationale supporting SMC’s judgment that such information is either a Trade Secret or Confidential Business Information based on the above definitions;

(b) That SMC has not disclosed the Confidential Information to any other person who is not bound by a confidentiality agreement;

(c) That SMC has taken reasonable measures to protect the confidentiality of the Confidential Information and intends to continue to take such measures;

(d) That the Confidential Information is not required to be disclosed, or otherwise made available, to the public under any applicable federal, state, or local law or regulation; and

(e) Disclosure of the Confidential Information to the public is likely to cause substantial harm to SMC’s competitive position.

3.6 Use of Confidential Information. Designated Councils Representatives shall:

3.6.1 Keep the Confidential Information confidential;

3.6.2 Not disclose the Confidential Information to any entity or person except for disclosures permitted by Section 3.7 below; and

3.6.3 Use Confidential Information solely for the purposes of implementing this Agreement and for no other purposes.

3.7 Permitted Disclosure. The Designated Councils Representatives may disclose Confidential Information to other Councils officers, staff, and consultants in addition to those prescribed in Section 3.1, if such disclosure is necessary for Councils to satisfy its

performance obligations under this Agreement or to implement the objectives of this Agreement.

3.7.1 Process. The Designated Councils Representatives shall provide SMC with at least 10 (ten) days Notice before making any such disclosure. Such Councils officers, staff, and consultants shall agree in writing supplied to SMC to be likewise bound by the provisions of Section 3.6 above.

3.7.2 Limitation. Disclosure shall be limited to the following Councils officers, staff, and consultants:

- (a) The chair of SPA, CRC, and NPRC; and
- (b) Other Councils staff and consultants who have a need to access and review the Confidential Information to complete work that would qualify for SMC reimbursement under Section 4.3.

3.8 Exclusions. Nothing in this Section shall prohibit Councils from disclosing Confidential Information if:

3.8.1 Such information has been published or has become part of the public domain other than by a violation of this Section;

3.8.2 Such information is available through public sources;

3.8.3 Such information is required to be disclosed by applicable federal, state or local law or regulation;

3.8.4 Such information is required to be disclosed in a judicial, administrative, or governmental proceeding pursuant to a valid subpoena or other applicable order; provided, however, Councils shall give SMC Notice before making such disclosure. SMC expressly reserves the right to interpose all objections it may have as to the disclosure of the Confidential Information; or

3.8.5 Specifically authorized by SMC in writing.

3.9 Disputes. If the Designated Councils Representatives disagree with SMC's judgment as to the confidentiality of Information, or if Councils designated legal representative disagrees with SMC's judgment as to whether the disclosure of Information would result in a violation of federal or state law or regulation, the Designated Councils Representatives shall provide SMC with Notice of such disagreement. If the Parties cannot resolve the dispute within 30 days of SMC's receipt of such Notice, SMC or Councils may commence an action in district court for a declaratory judgment, pursuant with the Uniform Declaratory Judgments Act, MCA 27-8-101 *et seq.* and 25-20-Rule 57, as to whether such Information is Confidential

Information under this Section or whether the disclosure of such Information would violate applicable federal or state laws or regulations.

3.10 Enforcement. Councils shall be responsible for enforcing the confidentiality obligations of its members, officers, staff, and consultants under this Section.

3.11 Liquidated Damages. If a court of competent jurisdiction determines that Councils have violated Section 3.6, Councils shall:

3.11.1 Immediately terminate the person's participation in the Agreement; and

3.11.2 Pay a fine of \$1000 for the first violation, \$2500 for the second violation, and \$5000 for every violation thereafter; or

3.11.3 Pay of fine of \$10,000 if the violation is determined to be willful.

3.12 Other Remedies. Nothing in this Section shall preclude SMC from seeking any civil remedy under federal or state law for Councils violation of this Section. SMC is entitled to seek any remedy at law or in equity, including an injunction, specific performance, or other forms of equitable relief or money damages or any combination thereof if this Section is breached or if there is a threatened breach.

3.13 Grace Period. If Information shows that SMC is not in compliance with this Agreement and SMC meets the requirements set forth in Section 3.11.2 below, Councils shall not disclose such Information to the public for 60 days from the receipt of such Information (the "Grace Period"). At the end of the 60-day Grace Period, Councils may disclose such Information to the public but any such disclosure shall include a statement summarizing the corrective and preventative measures taken by SMC.

3.13.1 Inapplicable. This Grace Period does not apply:

(a) To issues of non-compliance that are the same or closely-related to issues of non-compliance that have occurred previously under this Agreement; or

(b) To Information that shows a violation of any Federal and State Environmental Law or Regulation.

3.13.2 SMC Obligations. This 60-day Grace Period applies if:

(a) SMC develops a written compliance schedule that explicitly identifies the corrective measures to be taken by SMC and the preventative measures to be taken by SMC to prevent the recurrence of the non-compliance;

(b) The relevant Oversight Committee approves the written compliance schedule within 15 days of the receipt of such Information; and

(c) SMC demonstrates to the satisfaction of the relevant Oversight Committee within the 60-day Grace Period that the corrective measures have resolved the issue of noncompliance.

3.14 Copies. SMC shall provide Councils with 3 (three) copies of all Information required to be disclosed to Councils under this Section. SMC shall provide Councils with an electronic format of such Information if available.

3.15 Return of Confidential Information. Upon the termination of this Agreement under Section 15, Councils shall make best efforts to return to SMC all Confidential Information or, upon direction of SMC destroy the Confidential Information and all Documents containing such Confidential Information. Upon a person's termination under Section 3.11.1, Councils shall ensure the Confidential Information in such person's possession is returned or destroyed.

SECTION 4 FUNDING OBLIGATIONS

4.0 Funding Obligation. SMC shall fund the development and maintenance of any programs, studies, plans, audits, or committees required by this Agreement.

4.1 Third Parties. SMC shall pay directly all the expenses incurred by a Third Party completing the projects, reports, studies, or audits required by this Agreement including, but not limited to, the following:

4.1.1 The Environmental Audits required by Section 13.3 up to \$60,000 per audit year.

4.1.2 Emergency Environmental Audits required by various sections of this Agreement.

4.1.3 The Reclamation Plan and Bond Evaluation required by Section 13.4 up to \$35,000.

4.1.4 Tailings and Waste Rock Project required by Section 13.5.

4.1.5 Fisheries Study and Monitoring Plan required by Section 13.7.9 up to \$150,000 over the next 5 (five) years.

4.1.6 The long-term fisheries monitoring plan required by Section 13.7.9 up to \$20,000 per study year.

4.1.7 The Baseline Water Quality Report required by Section 13.7.6 up to \$30,000.

4.1.8 The supplemental Ground Water Studies required by Section 13.7.8 up to \$200,000.

4.1.9 The relevant Oversight Committee may reallocate any of the above funds to complete any other projects, reports, studies, or audits required by this Agreement.

4.2 Response and Remedial Actions. Notwithstanding any other funding obligations under this Agreement, SMC shall be responsible for all the costs necessary to complete the response and remedial actions and implement the recommendations of the Emergency Environmental Audits required by Sections 13.7.12, 13.7.13, and Section 9.0 of Appendix L (Response and Remedial Actions).

4.3 Reimbursement Obligation. SMC shall reimburse Councils for Qualifying Expenses for the term of this Agreement. For the first 2 (two) years of this Agreement, SMC reimbursements shall be limited to an annual (12 month) amount of up to \$135,000. At the end of the first two 2 (two) years of this Agreement, the Parties shall renegotiate the SMC reimbursement obligation subject to an annual amount of up to \$135,000.

4.3.1 Objectives. The objectives of the SMC reimbursements are to:

- (a) Allow Councils to effectively Participate in the implementation and enforcement of this Agreement;
- (b) Ensure Councils have available the technical and scientific expertise necessary to Participate in the implementation of this Agreement and to satisfy their performance obligations under this Agreement;
- (c) Offset the costs of conducting Citizen Sampling;
- (d) Offset the Administrative Expenses of participating in this Agreement; and
- (e) Offset the Out-of-Pocket expenses of Councils members serving on the Oversight and Technology Committees.

4.3.2 Qualifying Expenses. “Qualifying Expenses” shall include the following expenses incurred by Councils in participating and implementing this Agreement:

- (a) “Administrative Expenses” shall include the costs of telephone calls, conference calls, photocopying services, and postage.

(b) “Out-of Pocket Expenses” shall include the travel, food, and lodging expenses incurred by Council’s members serving on the Oversight and Technology Committees and Councils Staff designated in Appendix C.

(c) “Scientific and Technical Consultant Fees and Costs” shall include reasonable compensation rates and the travel, food, and lodging expenses incurred by Councils consultants.

(d) “Citizen Sampling” shall include the costs of collecting, preserving, and analyzing any samples of the Environment taken during Citizen Sampling under Section 3.1 of Appendix L.

(e) The costs of maintaining and managing the Escrow Fund established by Section 4.4.1.

4.4 Reimbursement Process. SMC shall make reimbursements to Councils as prescribed in this Section.

4.4.1 Escrow Fund. SMC shall establish an Escrow Fund and deposit \$50, 000 in such fund within 15 (fifteen) days of the Effective Date. SMC shall maintain this fund for the term of this Agreement.

4.4.2 Escrow Agent. Councils shall select a certified public accountant licensed to practice in the State of Montana to serve as the Escrow Agent. The Escrow Agent shall be an agent of Councils and shall be responsible for managing the Escrow Fund. The Escrow Agent shall receive Councils receipts and invoices, receive SMC reimbursement payments, and make reimbursement payments to Councils.

4.4.3 Receipts and Invoices. Councils shall submit a written copy of all receipts and invoices for Qualifying Expenses to the designated Escrow Agent and to the designated SMC representative.

4.4.4 Reimbursements. SMC shall make reimbursements only for receipts and invoices submitted to the Escrow Agent. Unless SMC provides Notice to the Escrow Agent and Councils within 10 (ten) working days of the receipt of receipts or invoices, the Escrow Agent shall immediately reimburse Councils by bank draft, cash, or immediately available funds.

4.4.5 Dispute. Any dispute between the Parties under this Section shall be resolved by the relevant Oversight Committee or arbitration under Section 9.4 if necessary.

4.4.6 Liability. If an arbitration panel finds that Councils have used SMC reimbursements for non-Qualifying Expenses, Councils shall reimburse SMC for such reimbursements.

4.4.7 Accounting Records. Councils shall establish and maintain accounting records in accordance with generally accepted accounting principles related to Qualifying Expenses incurred and funds expended in implementing this Agreement. Councils shall keep accounting records for at least 3 (three) years following the close of the fiscal year to which such records relate.

4.4.8 Audit. Upon the written request of SMC, Councils shall provide the Escrow Agent with accounting records related to Qualifying Expenses. The Parties acknowledge that this audit shall be limited to an evaluation of Councils compliance with the reimbursement Sections of this Agreement.

4.5 Inflation Adjustments. Any Fixed Amount Funding Obligation of SMC shall be adjusted each year after the year of the Effective Date. The adjusted Fixed Amount Funding Obligation for any year is the product of the Fixed Amount Funding Obligation multiplied by the change in the Consumer Price Index for all urban consumers (CPI-U) between the year of the Effective Date and the prior calendar year. For purposes of this Agreement, "Fixed Amount Funding Obligation" means any funding obligation of SMC that is prescribed herein as a stated dollar amount.

SECTION 5 THIRD PARTY

5.0 Selection. Whenever this Agreement requires a Third Party to complete a study, project, report, audit, or plan, Councils and SMC (through the relevant Oversight Committee) shall mutually select the Third Party. The Parties shall approve the final budget before the Third Party commences work.

5.1 Dispute. If the selection process of Section 5.0 is unsuccessful in appointing the Third Party, Councils shall nominate three competent Third Parties, and SMC shall nominate three competent Third Parties. Councils may strike not more than two of the Third Parties nominated by SMC. SMC may strike not more than two of the Third Parties nominated by Councils. The Third Party shall be selected by random drawing from the remaining pool.

5.2 Competency Standards. All Third Parties shall meet minimum professional competency standards. The Parties shall establish these standards as necessary.

5.3 Disclosure. All Third Parties shall make a written disclosure before their selection by the Parties. The written disclosure shall include the following: any bias, any direct or indirect financial or personal interest with the Parties or their representatives, any past, present, or reasonably foreseeable direct or indirect financial dependence on the Parties or their representatives, or any other past, present, or reasonably foreseeable relationship with

the Parties or their representatives. The purpose of this disclosure is to ensure the Parties know of any circumstances that could potentially affect Third Party impartiality.

5.4 Relationship. The Third Party shall sign a contract with the Parties and shall owe their professional obligations and duties to the Parties. The Third Party shall have access to any Information necessary for them to complete the studies, projects, reports, or audits. The Third Party shall sign a separate confidentiality agreement with SMC to protect any Confidential Information.

5.5 Framework. To ensure that Councils have the opportunity to Participate in all aspects of the audits, plans, studies, projects, reports, and sampling required to be completed by Third Parties under this Agreement, Third Parties shall use the following framework:

5.5.1 Evaluation. The Third Party shall review all information, tour the mine site and related facilities, and meet with relevant SMC personnel and consultants and relevant administrative agency personnel to discuss the issue.

5.5.2 Draft Report. The Third Party shall prepare a draft report based on the above evaluation. The draft report shall include, as appropriate, findings of fact, recommendations, and conclusions.

5.5.3 Review. Each Party shall review the draft report and shall submit written comments and recommendations regarding the draft report. After receipt of the writing of each Party, the relevant Oversight Committee or Technology Committee shall meet and review the draft report with the Third Party.

5.5.4 Final Report. The Third Party shall prepare a final report. The final report shall include mutually agreed to recommendations, SMC recommendations, and Councils recommendations.

5.5.5 Approval. The relevant Oversight Committee shall approve the final report before implementation.

5.5.6 Implementation. SMC shall implement any mutually agreed to recommendations of the final report.

5.6 Participation. Councils shall have the right to Participate in all aspects of the audits, reports, studies, projects, plans, and sampling completed by Third Parties. Such participation shall include but is not limited to the following rights:

5.6.1 The right to participate in all site inspections and visits conducted by the Third Party;

5.6.2 The right to participate in all interviews of relevant SMC employees, consultants, and administrative agency personnel conducted by the Third Party; and

5.6.3 The right to access all SMC reports and documents relevant to Third Party work, subject to the limitations set forth in Section 3.0.

SECTION 6 ECONOMIC FEASIBILITY

6.0 Economic Feasibility Study and Report. Whenever this Agreement requires a determination as to whether the development or implementation of a technology or practice is Economically Feasible, the Parties shall use the following process to make such determination.

6.1 Feasibility Study. SMC shall conduct an Economic Feasibility study and prepare an Economic Feasibility report. SMC shall provide Councils with the opportunity to Participate in all aspects of the Economic Feasibility study. The objective of the Economic Feasibility study and report shall be to determine whether it is Economically Feasible for SMC to develop or implement the technology or practice or take the action required under this Agreement.

6.2 Definition. “Economically Feasible” means that, after an analysis of how beneficial and practical the implementation of a technology or practice will be to SMC, the local community, and to the Environment, the benefits are demonstrated to outweigh the costs.

6.2.1 Analysis. In making this analysis, SMC shall:

- (a) Consider the direct and indirect costs of implementing the technology or practice.
- (b) Consider the benefits to the local community and Environment of implementing the technology or practice and shall quantify those benefits to the maximum extent possible.
- (c) Estimate the potential return to the company of implementing the technology or practice by weighing the costs against savings and the benefits to the local community and Environment.

6.2.2 Process. To make this analysis SMC, with the participation of Councils, shall conduct a Multiple Accounts Analysis (MAA) or equivalent process to assess the value and the impacts of implementing the technology or practice. SMC shall use the MAA to calculate the value of existing Technologies and/or Practices at SMC Mining Operations and compare them to the proposed alternatives. SMC shall calculate the direct and indirect costs and savings of the proposed technology or practice using the same time period applied in the MAA and then perform a cost/benefit analysis to calculate the return on the investment in the technology.

6.3 Framework. To ensure that Councils have the opportunity to Participate in all aspects of Economic Feasibility studies, the Parties shall use the following framework:

6.3.1 Evaluation. The Parties shall review and evaluate all information relevant to the Economic Feasibility study.

6.3.2 Draft Report. SMC shall prepare a draft report based on the above evaluation. The draft report shall include, as appropriate, findings of fact, recommendations, and conclusions.

6.3.3 Review. Councils shall review the draft report and shall submit written comments and recommendations. The relevant Oversight Committee or Technology Committee shall meet and review the draft report and Councils written comments and recommendations.

6.3.4 Final Report. SMC shall prepare a final report. The final report shall include mutually agreed to recommendations, SMC recommendations, and Councils recommendations.

6.4 Implementation. If SMC determines that it is Economically Feasible to develop or implement the technology or practice or to take the action, SMC shall develop or implement the technology or practice or take the action as soon as possible.

6.5 Arbitration. If there is a Dispute as to the Economic Feasibility of SMC developing or implementing the technology or practice, Councils may initiate arbitration pursuant with Section 9.4 and Appendix D of this Agreement. The Arbitration Panel shall use the analysis and process described in Section 6.2 in making its decision.

SECTION 7 OVERSIGHT COMMITTEES

7.0 Establishment. The Parties shall establish and SMC shall fund the following Oversight Committees for the Stillwater and East Boulder Mines. Each Oversight Committee shall be comprised of the following voting members:

7.0.1 For the East Boulder Oversight Committee (the “EBOC”), two individuals appointed by SMC and two individuals appointed collectively by CRC and NPRC.

7.0.2 For the Stillwater Oversight Committee (the “SOC”), two individuals appointed by SMC and two individuals appointed collectively by SPA and NPRC.

7.1 Appointment and Removal. The Parties shall appoint the initial individuals within 30 days of the Effective Date. The Parties may replace their representatives on the Oversight Committees but shall provide Notice of such replacements within 10 days of their appointment.

7.2 Rules and Procedures. The Oversight Committees shall establish standing agenda items and necessary rules and procedures within 90 days of the Effective Date.

7.3 Decision-making Process. The Oversight Committees shall make decisions, make recommendations, and take actions on issues arising under this Agreement by majority vote. Any Dispute may be resolved pursuant with Section 9.4 and Appendix D (Arbitration).

7.4 Meetings. The Oversight Committees shall meet at least quarterly and more frequently if necessary to implement the terms of this Agreement and to address new Issues of Concern related to SMC Mining Operations.

7.5 Scope. The objectives of the Oversight Committees are:

7.5.1 To oversee and implement the terms of this Agreement and to monitor SMC compliance with the terms of this Agreement.

7.5.2 To address Issues of Concern related to SMC Mining Operations.

7.5.3 To provide a mechanism for maintaining open lines of communication between Councils, the affected local communities, and SMC.

7.5.4 To oversee the development and implementation of all audits, plans, programs, studies, and monitoring required by this Agreement.

7.5.5 To serve as the decision-making body on all issues delegated to the Oversight Committees under this Agreement.

7.5.6 To resolve Disputes arising under this Agreement, including those originating in the Responsible Mining Practices and Technology Committee.

7.6 Rights. The rights of the Councils Oversight Committee representatives shall include, but are not limited to, the following:

7.6.1 The right to establish standing agenda items and the right to raise new agenda items when necessary.

7.6.2 The right to access all Information, subject to the limitations set forth in Section 3.

7.6.3 The right to conduct Citizen Sampling and observe all scheduled SMC Sampling and Monitoring Events.

7.6.4 The right to call emergency meetings of the Oversight Committee with 72 hours Notice to each relevant Oversight Committee member.

7.6.5 The right, with the consent of the majority of Oversight Committee members, to invite other representatives of the local community and/or state or federal administrative agencies to Oversight Committee meetings and to provide them an opportunity to be heard.

7.6.6 The right to enter mine premises and inspect mine facilities consistent with Section 10.

7.7 Minutes. There shall be a stenographic record of all Oversight Committee meetings and this record shall constitute the official minutes of such meetings. The official minutes shall be available to the public, subject to the limitations of Section 3.

SECTION 8 RESPONSIBLE MINING PRACTICES AND TECHNOLOGY COMMITTEE

8.0 Technology Committee. The parties shall establish and SMC shall fund a Responsible Mining Practices and Technology Committee (the “Technology Committee”).

8.1 Structure. The structure of the Technology Committee shall consist of three SMC representatives and three Councils representatives: one SPA representative, one CRC representative, and one NPRC representative.

8.2 Appointment and Removal. The Parties shall appoint the initial representatives within 30 days of the Effective Date. The Parties may replace their representatives on the Technology Committee but shall provide Notice of such replacements within 10 days of their appointment.

8.3 Rules and Procedures. The Technology Committee shall establish standing agenda items and any necessary rules and procedures within 90 days of the Effective Date.

8.4 Decision-making Process. The Technology Committee shall make decisions, make recommendations, and take actions on issues arising under this Agreement by majority vote. Any “Dispute” in the Technology Committee shall be referred to the relevant Oversight Committee.

8.5 Objectives. The objectives of the Technology Committee shall be:

8.5.1 To identify new Technologies and/or Practices to eliminate and/or minimize the adverse impacts on the Environment caused by SMC Mining Operations, to minimize the production of wastes created by SMC Mining Operations, and to eliminate and/or minimize the safety risks associated with the disposal of wastes from SMC Mining Operations.

8.5.2 To provide an opportunity for Councils to Participate in and assist SMC in maintaining and improving a program for the research, development, and implementation of Economically Feasible Technologies and/or Practices identified under objective 8.5.1.

8.5.3 To oversee the implementation of the programs identified in Section 8.5.1.

8.6 New Technologies Team. SMC shall designate a team of SMC employees and/or consultants with responsibilities for the identification, research, development, and implementation of New Technologies and/or Practices. SMC shall make the new technologies team available to consult with the Technology Committee.

8.7 Progress Review Meetings. The Technology Committee shall meet as frequently as necessary, but not less than twice annually, to review SMC progress regarding the research, development, and implementation of New Technologies and/or Practices.

8.8 Technology Review Meetings. The Technology Committee shall meet at least once annually to review relevant literature and conduct research to identify New Technologies and/or Practices and refinements to Technologies and/or Practices with potential application to SMC Mining Operations.

8.9 Rights. The rights of the Councils representatives on the Technology Committee shall include but are not limited to the following:

8.9.1 The right to establish standing agenda items and the right to raise new agenda items for the committee to consider.

8.9.2 The right to access all Information, subject to the limitations set forth in Section 3.

8.9.3 The right to conduct “Citizen Sampling” and observe scheduled SMC Sampling and Monitoring Events.

8.9.4 The right to enter mine premises and to inspect mine facilities pursuant with Section 10.

8.10 Time Frames. The Technology Committee shall have authority to set targets and time frames for research projects, pilot projects, and implementation projects and to monitor the progress of such projects.

8.11 Implementation of New Technologies. SMC shall use the following Parallel Study Framework (the “Framework”) for the identification, research, development, and implementation of technologies and practices.

8.11.1 Parallel Study Framework. The parties acknowledge that:

- (a) SMC and Councils shall conduct parallel studies.
- (b) The SMC study shall serve as the primary study.
- (c) The Councils study shall serve as a supplemental study.

8.11.2 Objectives. The objectives of this Framework shall include but are not limited to the following:

- (a) To ensure that Councils have the opportunity to Participate in all aspects of studies and projects related to Technologies and Practices; and
- (b) To ensure the Councils have the opportunity to make recommendations before final decisions are made by SMC regarding the research, development, and implementation of technologies and practices.

8.11.3 Draft Reports. SMC shall consult with Councils in the design of the studies and projects. Upon completion of the studies and/or projects, SMC and Councils shall prepare separate draft reports.

8.11.4 Review of Draft Report. Upon completion of the draft reports, the Technology Committee shall meet and review such draft reports.

8.11.5 Final Reports. SMC shall prepare a Final Report. The final report shall include mutually agreed to recommendations, SMC recommendations, and Councils recommendations. The Technology Committee shall approve the final report.

8.11.6 Implementation. SMC shall implement any mutually agreed to recommendations of the final report.

8.12 Permit Amendments. If a new Technology and/or Practice is implemented, SMC shall use best efforts to amend any permits required by Federal and State Environmental Laws and Regulations to incorporate the Technology and/or Practice during the next renewal process.

8.13 Minutes. There shall be a stenographic record of all Technology Committee meetings and this record shall constitute the official minutes of such meetings. The official minutes shall be available to the public, subject to the limitations of Section 3.

SECTION 9 DISPUTE RESOLUTION AND ENFORCEMENT

9.0 Definition of Dispute. For the purposes of this Section, a “Dispute” means the inability of the relevant Oversight Committee to obtain a majority vote on an issue arising under this Agreement within 120 days of its first recording in the official minutes of an Oversight Committee meeting.

9.1 Good Faith Efforts. The Parties shall negotiate in good faith to resolve all Disputes before attempting to resolve the Dispute through court enforcement or arbitration.

9.2 Cumulative Remedies. The remedies provided in this Agreement shall be cumulative, and not exclusive, of any and all rights, powers, and remedies existing at law

or in equity. The assertion by Councils or SMC of any right or remedy shall not preclude the assertion by such party of any other rights or the seeking of any other remedies.

9.3 Court Enforcement. Councils or SMC may enforce this Agreement by commencing a civil action in district court. Disputes regarding issues of substantive arbitrability and Disputes involving an alleged failure of Councils or SMC to perform a non-discretionary obligation or duty under this Agreement, shall be resolved through a civil action.

9.3.1 Venue. Venue for the civil action shall be Sweet Grass County, Stillwater County, or Yellowstone County, Montana.

9.3.2 Relief. Councils or SMC may seek any relief within the jurisdiction of the court including, but not limited to, a temporary restraining order, temporary or permanent injunction, declaratory judgment, specific performance, or any other legally cognizable relief at law or equity or any combination thereof shall be available.

9.3.3 Right to Specific and Preventative Relief. Councils or SMC may seek specific performance to enforce this Agreement because monetary damages may not provide adequate relief.

9.4 Arbitration. Disputes may be resolved by arbitration administered under Appendix D, which shall be binding on the Parties and judgment on the award rendered by the Arbitration Panel may be entered in any court having jurisdiction thereof. There is no limit on the number of arbitrations per year, except for the limit of Section 9.4.1(g).

9.4.1 Limitation. Any award, remedy, or relief granted by the Arbitration Panel against SMC (the “Arbitration Award”) shall be binding on SMC up to the amounts specified in this Section. The amount or portion of an Arbitration Award that exceeds these amounts is not binding on SMC.

(a) Reimbursement Payments. For Disputes arising under Section 4.4.5 (SMC reimbursement payments to Councils), the Arbitration Award shall be binding on SMC up to an aggregate amount of \$135, 000 per year.

(b) Technologies or Practices. For Disputes arising under Section 6.5 or other Disputes related to the development or implementation of Economically Feasible Technologies and/or Practices, the Arbitration Award shall be binding on SMC up to an aggregate amount of \$1,000,000 per year.

(c) Water Quality and Aquatic Resource Monitoring. For Disputes arising under the following Sections of this Agreement or other Disputes related to water quality or aquatic resources monitoring, the Arbitration Award shall be

binding on SMC up to an aggregate amount of \$800,000 for the first 5 (five) years of this Agreement:

1. Section 3.2.5 of Appendix L (3-Year Review of Supplemental Monitoring Programs).
2. Section 13.7.7 and Section 6 of Appendix L (Supplemental Monitoring Programs for the East Boulder and Stillwater Mines) and Appendix N (East Boulder Supplemental Monitoring Program).

(d) Fisheries Studies. For Disputes arising under Section 8 of Appendix L, the Arbitration Award shall be binding on SMC up to an aggregate amount of \$150,000 over the first 5 (five) years of this Agreement.

(e) Environmental Audit. For Disputes arising under Section 13.3 and Appendix I, the Arbitration Award shall be binding on SMC up to an aggregate amount of \$60,000 per audit year, unless the Arbitration award is substantially related to the development or implementation of new Technologies and/or Practices or is substantially related to water quality or aquatic resources monitoring, then the limits of (b) and (c) of this Section apply respectively.

(f) Ground Water Studies. For Disputes arising under Section 13.7.8 and Section 7 of Appendix L, the Arbitration Award shall be binding on SMC up to an aggregate amount of \$200, 000.

(g) Other Disputes. For other Disputes, the Arbitration Award shall be binding on SMC up to an aggregate amount of \$100,000 per year. Councils are entitled to no more than 2 (two) such arbitrations per year.

9.4.2 Presentation. If an amount or portion of the Arbitration Award exceeds the amounts specified in Section 9.4.1, SMC shall ensure the Councils have an opportunity to make a presentation to the SMC Board of Directors.

SECTION 10 INSPECTIONS

10.0 Inspections. Councils shall have the right to enter mine premises and to inspect mine facilities. Councils shall have the right to conduct Citizen Sampling, take photographs, and meet with relevant SMC employees during all such inspections. Councils shall be limited to no more than two inspections per mine site per year. Councils shall commence and complete each inspection within a reasonable period of time.

10.1 Council Obligations. Councils shall provide SMC with Notice of inspections. Councils shall provide SMC with no less than 72 hours Notice and shall include a list of Council members and representatives that will be participating in the inspection, a list of

relevant SMC employees Councils would like to meet with during the inspection, and a request, if any, to inspect underground facilities. Councils shall comply with all applicable federal and state laws and regulations pertaining to occupational safety and health during such inspections.

10.1.1 Limitation. Councils shall limit the number of persons for any inspection of underground facilities to 4 (four) persons unless SMC authorizes an additional number.

10.2 Samples. If Councils collect any samples of the Environment, prior to leaving the premises, Councils shall give SMC a receipt describing the sample taken and a portion of each such sample.

10.3 SMC Obligations. Any Council inspection of underground facilities shall require the consent of SMC, but SMC shall not unreasonably withhold such consent. SMC shall use best efforts to make relevant employees available during such inspections.

SECTION 11 CONSERVATION EASEMENTS

11.0 Conservation Easement. As soon as possible but no later than 1 (one) year from the Effective Date, SMC shall create and donate to Montana Land Reliance or other party consented to by Councils a conservation easement with respect to the properties identified in Appendix E. The conservation easements shall last in perpetuity, subject to judicial termination or condemnation actions. SMC shall prohibit development that is inconsistent with the purposes of Section 11.1 on all such properties.

11.1 Purpose. The purposes of these conservation easements are:

11.1.1 To preserve and protect agricultural lands, open spaces, and traditional landscapes from Residential Development and Industrial Development in the Stillwater and Boulder River Watersheds. For the purposes of these easements,

a. “Industrial Development” shall include but is not limited to Tailings Impoundments, Waste Rock disposal areas and storage and processing facilities and structures.”

b. “Residential Development” shall include but is not limited to any division of land into two or more parcels (subdivision); the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any structure.

11.1.2 To protect riparian corridors and other wildlife habitat from Residential Development and Industrial Development.

11.1.3 To maintain and improve the existing water quality of the Boulder River and Stillwater River Watersheds.

11.2 Rights Retained. SMC retains the right to develop Land Application Disposal (LAD) areas on the Stratton Ranch, Stillwater Valley Ranch, and Boe Ranch Properties (as described in Appendix E) and any rights exercised pursuant to the Stillwater Mine Operating Permit effective November 12, 1998.

11.3 Beartooth Ranch Property. In the event that SMC retains ownership of the Beartooth Ranch Property, SMC shall record a conservation easement on the property that:

11.3.1 Limits the use of the facilities on such property to SMC guests, visitors, employees, contractors and subcontractors.

11.3.2 Limits new construction on such property to the upgrade and/or rehabilitation of existing structures.

11.3.3 Prohibits the construction of any new buildings or structures that are not a direct replacement of existing structures and prohibits Residential Development of the property.

11.4 Condition. SMC's obligation to grant the conservation easement on such properties is conditioned upon the receipt by SMC of the consent of third parties, presently, or at the date of grant, then holding interests in such properties. SMC shall use best efforts to obtain such consents and may agree to subordinate the conservation easement to the interests of the third party in order to obtain such consents.

11.5 Subdivision Prohibition. SMC shall create and donate to a party consented to by Councils a conservation easement that prohibits major subdivisions on all properties acquired by SMC in Sweet Grass or Stillwater counties after the Effective Date.

SECTION 12 MINE-SPONSORED HOUSING

12.0 Sweet Grass County. SMC shall confine all Mine-Sponsored Housing in Sweet Grass County to the Palladium Lodge on Highway 10, Big Timber, Montana, and the city limits of Big Timber, Montana as extended by annexation.

12.1 Stillwater County. SMC shall confine all Mine-Sponsored Housing in Stillwater County to within the city limits of Absarokee and Columbus, Montana, as extended by annexation, subject to the exceptions provided in Section 12.2.

12.1.1 Additional Limitations. SMC shall prohibit Mine-Sponsored Housing at the Hertzler Ranch Property, the Robinson Draw Property, and the Stratton Ranch Property, as described in Appendix E.

12.2 Exceptions. Subject to the limitations of the conservation easements of Section 11:

12.2.1 Stillwater Valley Ranch property. SMC may use the Stillwater Ranch Property, as described in Appendix E, for Mine-Sponsored Housing. This use is subject to a limit of 20 persons residing within the existing structures and trailer pads.

12.2.2 Beartooth Ranch property. SMC may use the Beartooth Ranch Property, as described in Appendix E, for Mine-Sponsored Housing. This use is subject to a limit of 90 persons. SMC shall, as a condition of residency at the Beartooth Ranch, require persons to use a shuttle van to travel to and from Nye, Montana, and the Stillwater Mine.

12.3 Review of Future Proposals. SMC shall provide Councils with Notice regarding, and an opportunity to review and comment on, all future Mine-Sponsored Housing proposals. SMC shall provide such Notice prior to the commencement of construction of or, in the case of existing structures, occupancy of, additional Mine-Sponsored Housing.

SECTION 13 ADDITIONAL SMC COVENANTS

13.0 East Boulder Mine Busing and Traffic Plan. SMC shall develop, implement, and fund a comprehensive busing and traffic reduction plan for the duration of SMC Mining Operations, as described in Appendix F.

13.1 Stillwater Mine Busing and Traffic Plan. SMC shall develop, implement, and fund a comprehensive busing and traffic reduction plan for the duration of SMC Mining Operations, as described in Appendix G.

13.2 Commercial Traffic Reduction Plan. SMC shall develop, implement, and fund a comprehensive commercial traffic reduction plan for the duration of SMC Mining Operations, as described in Appendix H.

13.3 Audits. SMC shall establish, implement, maintain, and fund an environmental audit program, in an amount not to exceed \$60,000 per audit year, for the duration of SMC Mining Operations for the East Boulder and Stillwater Mines as described in Appendix I. The Parties shall select a Third Party to perform the environmental audits.

13.4 Reclamation Plan and Performance Bond Evaluation. SMC shall participate in and fund, in an amount not to exceed \$35,000, a Third Party evaluation of the Reclamation Plan and Performance Bond for the East Boulder and Stillwater Mines as described in Appendix J.

13.4.1 Revision of Interim Reclamation Plan. SMC shall revise the interim reclamation plan for the East Boulder and Stillwater Mines as described in Appendix J.

13.5 Tailings and Waste Rock Project. SMC shall participate in and fund the Tailings and Waste Rock Project (the “Project”) to be completed by a Third Party as described in Appendix K.

13.6 Disclosure. SMC shall disclose and provide Councils with an opportunity to review and comment on all future Amendments and Revisions to the East Boulder Mine Operating Permit, Stillwater Mine Operating Permit, East Boulder MPDES Permit, and Stillwater MPDES Permit as soon as possible but no later than 3 (three) months prior to the Commencement of the Permitting Process.

13.7 Water Program. SMC shall design, implement, maintain, and fund the Comprehensive Surface Water, Ground Water, and Aquatic Resources Protection Program (the “Water Program”) as described in Appendix L. SMC shall provide Councils with the opportunity to Participate in the design, implementation, and oversight of the Water Program.

13.7.1 Meeting and Inspections. SMC shall give Councils at least 72 hours Notice of all scheduled meetings, inspections, and other significant events with the MDEQ, GNF, CNF, or other administrative agencies related to surface water, ground water, or aquatic resource issues. Councils shall have the right to attend such meetings, inspections, and events unless Councils attendance is prohibited by Federal and State Environmental Laws and Regulations.

13.7.2 Sampling and Monitoring Events. SMC shall give Councils at least 72 hours Notice of all scheduled Sampling and Monitoring Events. Councils have the right to attend and observe all such events and shall have the right to enter SMC premises for these purposes.

13.7.3 Citizen Sampling. SMC shall provide Councils with the opportunity to conduct Citizen Sampling as described in Section 3.1 of Appendix L.

13.7.4 Reporting Program. SMC shall design, implement, and maintain the expanded reporting program as described in Section 3.2 of Appendix L.

13.7.5 Database. SMC shall design, implement, and maintain an electronic database of data related to surface water, ground water, and aquatic resources as described in Section 4.0 of Appendix L.

13.7.6 Water Quality Report. SMC shall fund, in an amount not to exceed \$30,000, a Third Party review and Water Quality Report for the East Boulder and Stillwater Mines as described in Section 5.0 of Appendix L. The final Water Quality Report shall be incorporated by reference into Appendix M.

13.7.7 Supplemental Monitoring Programs. SMC shall develop, implement, maintain, and fund the East Boulder Mine Supplemental Monitoring Program as described in Section 6.0 of Appendix L and Appendix N and the Stillwater Mine

Supplemental Monitoring Program to be developed pursuant with Section 6.0 of Appendix L and incorporated by reference into Appendix O. SMC shall fund the East Boulder Mine and Stillwater Mining Supplemental Monitoring Programs up to an aggregate amount of \$800,000 during the first 5 (five) years of this Agreement. The Parties shall negotiate the amount of funding beyond year 5 (five) of this Agreement if necessary.

13.7.8 Ground Water Studies. SMC shall participate in and fund, in an amount not to exceed \$200,000, supplemental Ground Water Studies of the East Boulder Mine and/or Boe Ranch Property to be completed by a Third Party as described in Section 7.0 of Appendix L. SMC shall participate in and fund supplemental Ground Water Studies of the Stillwater Mine if necessary to develop and implement the Tiered Trigger Level Framework.

13.7.9 Baseline Fisheries Study and Plan. SMC shall fund \$150,000 over 5 (five) years. A Third Party shall use these funds to complete a baseline fisheries study and design a long-term monitoring plan for the Boulder River Watershed as described in Section 8.0 of Appendix L. SMC shall also fund the fisheries monitoring plan approved by the EBOC up to \$20,000 per year as described in Section 8.0 of Appendix L. SMC shall fund any fisheries study and/or plan approved by the SOC for the Stillwater Watershed under Section 8.1.8 of Appendix L.

13.7.10 Tiered Trigger Level Framework. SMC shall design, implement, maintain, and fund the Tiered Trigger Level Framework and any necessary programs described in Section 9.0 of Appendix L for the East Boulder and Stillwater Mines.

13.7.11 Response and Remedial Actions. SMC shall design, implement, maintain, and fund any programs necessary to implement the response and remedial actions described in Section 10.0 of Appendix L for the East Boulder and Stillwater Mines. SMC is responsible for the costs of conducting any required response and remedial actions.

13.7.12 Tier 2 and 3 Exceedence Response and Remedial Actions.

(a) Tier 2 Exceedence Nutrients. Upon a Tier 2 Exceedence for Nutrients, SMC shall implement the degree of treatment technologies and practices necessary to restore levels to below Tier 2 Trigger Levels at a cost not to exceed \$500,000 per year. The relevant Oversight Committee shall take into account the context and magnitude of the Exceedence in determining the requisite technologies and practices.

(b) Tier 3 Exceedence for Other Parameters. Upon a Tier 3 Exceedence for any parameter, except for Nutrients, SMC shall implement the degree

of treatment technologies and practices necessary to restore levels to below Tier 2 Trigger Levels.

13.7.13 Water Management Prioritization and Optimization Plan. SMC shall develop, implement, maintain, and fund a Water Management Prioritization and Optimization Plan for the Stillwater and East Boulder Mines as described in Section 11.0 of Appendix L.

13.8 Contribution to Boulder River Watershed Group. If the watershed group attains its non-profit status and submits a proposed operating budget to the EBOC, SMC shall deposit \$50,000 into an escrow account to be used by the watershed group.

13.8.1 Annual Funds. SMC shall contribute at least \$25,000 per year to the watershed group. SMC shall deposit such funds in an escrow account by January 15th of each year that the watershed group submits an annual operating budget.

13.8.2 Matching Funds. If the watershed group raises funds for its own operation, SMC shall pay to the watershed group an amount equal to the amount the group has raised up to an additional \$25,000 in matching funds per year. SMC payments made pursuant to this Section shall not reduce other SMC funding obligations under this section. SMC shall deposit any such funds in an escrow account by January 15th of each year.

13.9 Main Boulder Road. SMC shall initiate the process necessary to rebuild the remaining sections of the Main Boulder Road (Federal Aid Secondary Road 298) including convening a meeting of all relevant parties as soon as possible but no later than 1 (one) year from the Effective Date.

13.10 Best Efforts In Negotiations. SMC shall use best efforts to initiate additional negotiations with the Big Timber City Council and any other relevant local government entities as soon as possible and shall make significant additional funding contributions towards the expansion of city services (sewer and water) to the west end as identified in the West End and South Side Utility Assessment for City of Big Timber, Montana (August 1999). Such additional negotiations and contributions shall ensure that the necessary infrastructure is developed and in place to accommodate in-migrating employees and their families.

13.11 Hertzler Ranch Property and Pipeline Mitigation Plan. SMC shall develop, implement, and fund the Mitigation Plan described in Appendix R.

13.12 Future Tailings and Waste Rock Disposal Locations

13.12.1. Disclosure of Future Plans. SMC shall consult with Councils before purchasing or otherwise acquiring properties for future tailings or Waste Rock disposal.

13.12.2 Locations. SMC shall not construct future Tailings Impoundments within visual view of the Boulder River Watershed and East Boulder River Watershed below the Gallatin National Forest boundary.

SECTION 14 ADDITIONAL COVENANTS OF COUNCILS

14.0 Termination of Pending Litigation. SPA and NPRC shall file a motion to dismiss, with prejudice, NPRC and SPA v. MDEQ, Cause No. DV 9900103, within 30 days of the Effective Date.

14.1 Best Efforts. As a condition to the filing of an administrative appeal, the filing of a citizen suit, or the commencement of litigation, Councils shall use best efforts to resolve all issues raised in such appeal, suit, or litigation with SMC. Best efforts shall include good faith negotiations in the relevant Oversight Committee and mediation with a mediator selected by SMC.

SECTION 15 TERM, TERMINATION, SURVIVAL

15.0 Term. Unless unilaterally terminated as provided by this Section, this Agreement shall continue in full force and effect until all the following conditions are satisfied:

15.0.1 The permanent cessation of all SMC Mining Operations;

15.0.2 The completion of all closure and final reclamation required by any Operating Permit or Federal and State Environmental Laws and Regulations;

15.0.3 The release of all SMC performance bonds required by MCA 82-4-338 (1997); and

15.0.4 The water quality of all discharges from SMC Mining Operations has returned to Baseline Water Quality.

15.1 Councils Rights. Nothing in this Section shall be construed or interpreted to allow SMC to unilaterally terminate this Agreement if Councils commence a civil action to enforce this Agreement under Section 3.9 or Section 9.3 or if Councils participate in any public process provided by applicable federal and state laws and regulations regarding the East Boulder or Stillwater Mines including the filing of written comments, testifying at public hearings, and meeting with administrative agencies.

15.2 Unilateral Termination by SMC.

15.2.1 Termination of the Entire Agreement. SMC may unilaterally terminate this Agreement by Notice to Councils upon the occurrence of any one or more of the following conditions:

(a) Pending Litigation. The failure of NPRC and SPA to file the motion to dismiss with prejudice under Section 14.0.

(b) Renewal of the East Boulder MPDES Permit. The filing by CRC or NPRC of any administrative appeal or the commencement of litigation challenging the validity of the final East Boulder MPDES Permit resulting from the (1997-1999) renewal process, unless the final permit is less stringent than the draft permit dated January 28, 1999.

(c) Amendment 001 of the East Boulder Mine Operating Permit. The filing by CRC or NPRC of any administrative appeal or the commencement of litigation challenging the validity of the East Boulder Mine Operating Permit effective May 20, 1999 (MDEQ Approval of Amendment 001 to Operating Permit 00149, Water Management Plan and Facilities for the East Boulder Mine).

(d) Breach. The failure of Councils to perform the obligations required to be performed by them under this Agreement unless such failure shall have been cured to the satisfaction of SMC on or before the 30th day following the delivery of the termination Notice by SMC.

(e) Assertion. The assertion by Councils in a court of competent jurisdiction that the provisions of Section 15.2 are void, invalid, or otherwise unenforceable.

15.2.2 Termination of Sections of the Agreement. SMC may unilaterally terminate Sections of this Agreement by Notice to Councils upon the occurrence of any one or more of the following conditions:

(a) Future Litigation of Stillwater Mine Operating Permit. If SPA or NPRC files an administrative appeal or commences litigation challenging the validity of, or any terms or conditions of, any Amendment or Revision to the Stillwater Mine Operating Permit, SMC may terminate the Sections of this Agreement related to the Stillwater Mine, subject to exception below and the limitations of Section 15.3.

Exception. SMC is precluded from terminating this Agreement or any section thereof, if SPA or NPRC files an administrative appeal or commences litigation challenging the validity of or any terms or conditions of, any Amendment or Revision to, the Stillwater Mine Operating Permit concerning the construction of additional Tailings Impoundments at the Hertzler Ranch Property not approved in the Stillwater Mine Operating Permit effective November 12, 1998.

(b) Future Litigation of East Boulder Mine Operating Permit. If CRC or NPRC files an administrative appeal or commences litigation challenging the

validity of or any terms or conditions of, any Amendment or Revision to, the East Boulder Mine Operating Permit, SMC may terminate the Sections of this Agreement related to the East Boulder Mine, subject to the limitations of Section 15.3.

(c) Future Litigation of the Stillwater MPDES Permit. If SPA or NPRC files an administrative appeal or commences litigation challenging the validity of or any terms or conditions of the Stillwater MPDES Permit during subsequent renewal processes (next renewal process 2004), SMC may terminate Section 13.7 and related Appendices (Water Program), Section 10.0 (Inspections), and Section 4.3 (Reimbursement Obligations) related to the Stillwater Mine, subject to the limitations of Section 15.3.

(d) Future Litigation of the East Boulder MPDES Permit. If CRC or NPRC files an administrative appeal or commences litigation challenging the validity of or any terms or conditions of the East Boulder MPDES Permit during subsequent renewal processes (next renewal process 2004), SMC may terminate Section 13.7 and related Appendices (Water Program), Section 10.0 (Inspections), and Section 4.3 (Reimbursement Obligations) related to the East Boulder Mine, subject to the limitations of Section 15.3.

(e) Other Permits. If Councils file an administrative appeal or commence litigation challenging the validity of or terms or conditions of any SMC permit, SMC may terminate the sections of this Agreement related to the appeal or litigation, subject to the limitations of Section 15.3.

15.3 Limitation on SMC Termination. If SMC shall be entitled to terminate this Agreement or Sections thereof under Section 15.2.2, SMC shall, as a condition to termination, suspend in whole or in part, by Notice to the Councils, performance of this Agreement or Sections of this Agreement for a period of at least 18 calendar months from the date of the Notice (the "Suspension Period").

15.3.1 Ongoing Obligations. SMC shall complete all projects, studies, programs, audits, reports, or other performance obligations commenced prior to Councils commencement of litigation triggering the Suspension Period.

15.3.2 Future Obligations. The times for performance not commenced before Councils commencement of litigation shall be tolled during the Suspension Period. Unless the Parties agree otherwise, SMC shall not be obligated to perform, at the end of the Suspension Period or otherwise, any term or obligation under this Agreement if the time for such performance shall have occurred or expired during the Suspension Period.

15.3.3 Best Efforts. SMC shall use best efforts to resolve all issues raised in such litigation. Best efforts shall include good faith negotiations in the relevant

Oversight Committee and mediation with Councils and the relevant administrative agencies using a mediator selected by Councils.

15.3.4 Termination. Unless the litigation allowing SMC termination under Section 15.2.2 shall have been dismissed with prejudice or otherwise been fully and finally resolved by the Parties, including appeals by any Party, this Agreement or the Sections thereof shall terminate on the last day of the Suspension Period without further action or Notice by SMC.

15.4 Unilateral Termination by Councils. This Agreement may be terminated by the Councils upon Notice to SMC upon occurrence of any one or more of the following:

15.4.1 The sale, assignment or transfer of all or substantially all of SMC assets outside of the ordinary course of business (other than assignments or transfer by operation of law pursuant to a merger or similar reorganization transaction).

15.4.2 The failure of SMC to perform the obligations required to be performed by it under this Agreement unless such failure shall have been cured to the satisfaction of the Councils on or before the 30th day following the delivery of the termination notice by the Councils.

15.5 Effect. Upon termination as provided in this Section, the Parties shall be relieved of each and every obligation hereunder and this Agreement shall be null and void and of no further force or effect, subject to the exception in Section 15.6.

15.6 Survival. The following Sections of this Agreement shall survive termination of this Agreement for any reason and shall remain in effect until all the conditions of Section 15.0 have been satisfied.

15.6.1 The East Boulder and Stillwater Mine Traffic Reduction and Busing Plans required by Sections 13.0 and 13.1 and described in Appendices F and G respectively.

15.6.2 Section 12.0 (Mine-Sponsored Housing).

SECTION 16 MISCELLANEOUS PROVISIONS

16.0 Representations. Each Party represents and warrants that (i) it is duly organized, validly existing, and, as of the Effective Date is in compliance with all registration, reporting, and other requirements under the laws of the state of its organization, (ii) it has the right and authority to enter into this Agreement and all proceedings required to be taken by or on behalf of such party to authorize it to execute and deliver this Agreement have been satisfied, (iii) this Agreement upon delivery is a valid, legal and binding obligation of such party, (iv) the execution and delivery of this Agreement will not

violate the organizational documents of such party, violate, conflict with or constitute a default under any agreement which such party is a party to or by which any of its properties are bound, or violate any applicable law by which such party is bound, and (v) it has not assigned any of its rights to make the agreements contained herein.

16.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of each of the Parties hereto and its respective successors and assigns. The Parties acknowledge that one of the express purposes of this Agreement is to bind SMC successors, partners, subsidiaries, affiliates, and assigns to this Agreement. SMC shall record an abstract of this Agreement with the clerk and recorder office of any county in which real property that is affected by the Agreement is located. The purpose of this recording is to give notice of this Agreement to and to bind any successors, partners, subsidiaries, affiliates, and assigns of SMC.

16.2 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same document.

16.3 Notice. Whenever Notice is required under this Agreement, such Notice shall be in writing and delivered by overnight courier or by U.S. certified mail, return receipt requested, to the following designated Parties and addressed to such Parties at the addresses set forth below:

To NPRC: Attention: SPA/CRC Organizer

 Northern Plains Resource Council

 2401 Montana Avenue, Suite #200

 Billings, MT 59101-2336

To SPA: Attention: SPA Chair

 P.O. Box 106

 Absarokee, MT 59001

To CRC: Attention CRC Chair

 P.O. Box 1105

 Big Timber, MT 59011

To SMC: Attention: President

 Stillwater Mining Company

536 East Pike Avenue

P. O. Box 1330

Columbus, MT 59019

The Parties may hereafter designate by Notice a different address or person to whom Notice must be given.

16.4 Joint Drafting Terms. It is hereby expressly understood and agreed that this Agreement was jointly drafted by Councils and SMC. Accordingly, the Parties hereby agree that any rule of construction to the effect that ambiguity is construed against the drafting Party shall be inapplicable to any Dispute concerning the terms, meaning, or interpretation of this Agreement.

16.5 Controlling Law. This Agreement shall be interpreted under the laws of the State of Montana, except as specified in Appendix D (Arbitration).

16.6 Further Assurances. At any time, and from time to time, after the Effective Date, each Party will execute such additional instruments and take such actions as may be reasonably requested by the other Parties to confirm or perfect or otherwise to carry out the intent and purpose of this Agreement.

16.7 Waiver. Any failure on the part of any Party hereto to comply with any of its obligations, agreements or conditions thereunder may be waived by any other Party to whom such compliance is owed. To be effective, the waiver shall be in writing and signed by the chairs of Councils or the President of SMC. No waiver of any provision of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver.

16.8 Headings. The section and other headings in this Agreement are inserted solely as matter of convenience and for reference, and are not a part of this Agreement.

16.9 Appendices and Schedules. All attached and reserved Appendices and Schedules are incorporated by reference into this Agreement and are to be construed as an integral part of this Agreement. The Parties shall fill in all blanks, if any, in the attached Appendices and complete all reserved Appendices as required by this Agreement in order to consummate the transactions contemplated with this Agreement.

16.10 Severability. If any provision of this Agreement is invalid or unenforceable in any jurisdiction, such provision shall be fully severable from this Agreement and the other provisions thereof shall remain in full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed to carry out the provisions and intent thereof. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or unenforceability of any such provision in any other jurisdiction

16.11 Liability Limitation. For the purposes of determining liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), this Agreement does not convey or transfer to Councils any possessory rights or interests in any real property owned by, licensed to, or leased by SMC. In addition, this Agreement does not convey to, transfer to, or create in Councils any day-to-day management duties, decision-making abilities or responsibilities, or the authority to control day-to-day operations at the East Boulder or Stillwater Mines.

16.12 Time Requirements. This Agreement contains various provisions that are to be performed by a time deadline. Central to this Agreement is the timely performance of these provisions, thus time is of the essence of this Agreement.

16.13 Breach of time deadline. Whenever any Party believes that another Party is in breach of any part of this Agreement that requires compliance with a time deadline, the notifying Party must give proper and timely notice of the breach and allow for curing of the breach prior to the notifying Party having a cause of action to enforce such breach of any deadline provision, as described below:

16.13.1 A description of the substance of the breach, including at least the conduct, or lack of conduct, causing the alleged breach;

16.13.2 The section of the Agreement believed breached;

16.13.3 The time that the breach occurred;

16.13.4 Whom, including the person's mailing address, any response to the Notice, or attempted remedy of the alleged breach should be mailed to;

16.13.5 To be proper notice, the Notice must be sent certified mail, return receipt requested, to the Parties at the addresses set forth in Section 16.3.

16.13.6 Prior to bringing a proceeding for breach of the Agreement relating to a missed deadline, the notifying Party must wait at least ten (10) days after the receipt date of the Notice of Breach by the notified Party. The date of the receipt of the notice is the date indicating delivery as shown on the Domestic Return Receipt.

16.14 Implementation Plan. The EBOC and SOC shall develop and approve an implementation plan for the first 2 (two) years of this Agreement. The implementation plan shall be incorporated into this Agreement as Appendix S within 90 days of the Effective Date.

16.15 Approval of Administrative Agencies. The Parties acknowledge that the approval of administrative agencies under Federal and State Environmental Laws and Regulations may be a condition of some SMC covenants under this Agreement. SMC shall use best efforts to obtain all necessary approvals.

16.16 Modification. The Parties may modify this Agreement by mutual agreement in writing signed by Councils and SMC.

16.17 Entire Agreement. This Agreement is the entire, final and complete agreement of the Parties with respect to the understandings between the Parties regarding the subject matter hereof, and supersedes and replaces all prior written and oral agreements between the Parties or their representatives with respect to such matters.

16.18 Statement. The Parties have read this contract and agree to be bound by its terms.

SIGNATURES

STILLWATER PROTECTIVE ASSOCIATION,

a Montana nonprofit corporation,

By: _____ Date: _____

Arleen Boyd, as its Chair

NOTARY ACKNOWLEDGMENT

STATE OF MONTANA:

County of _____

On this ____ day of _____, 2000, before me, a Notary Public for the State of Montana, personally appeared _____, known to me to be the _____ of _____ and known to me to be the person whose name is subscribed to the within instrument and acknowledged to me the executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Notary Public for the State of Montana

Residing at _____, Montana

My Commission Expires _____

COTTONWOOD RESOURCE COUNCIL

a Montana nonprofit corporation,

By: _____ Date: _____

Tamara Tragakiss, as its Chair

NOTARY ACKNOWLEDGMENT

STATE OF MONTANA:

County of _____

On this ____ day of _____, 2000, before me, a Notary Public for the State of Montana, personally appeared _____, known to me to be the _____ of _____ and known to me to be the person whose name is subscribed to the within instrument and acknowledged to me the executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Notary Public for the State of Montana

Residing at _____, Montana

My Commission Expires _____

NORTHERN PLAINS RESOURCE COUNCIL,

a Montana nonprofit corporation,

By: _____ Date: _____

Dena Hoff, as its Chair

NOTARY ACKNOWLEDGMENT

STATE OF MONTANA:

County of _____

On this ____ day of _____, 2000, before me, a Notary Public for the State of Montana, personally appeared _____, known to me to be the _____ of _____ and known to me to be the person whose name is subscribed to the within instrument and acknowledged to me the executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Notary Public for the State of Montana

Residing at _____, Montana

My Commission Expires _____

STILLWATER MINING COMPANY,

a Delaware corporation,

By: _____ Date: _____

William Nettles, as its Chairman and Chief Executive Officer

NOTARY ACKNOWLEDGMENT

STATE OF COLORADO:

County of _____

On this ____ day of _____, 2000, before me, a Notary Public for the State of Colorado, personally appeared _____, known to me to be the _____ of _____ and known to me to be the person whose name is subscribed to the within instrument and acknowledged to me the executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Notary Public for the State of Colorado

Residing at _____, Colorado

My Commission Expires _____

APPENDIX A. DEFINITIONS

Definitions. In addition to the definitions of capitalized terms stated in other Sections of this Agreement, the capitalized terms when used in this Agreement and Appendices shall be defined as follows:

1.0 “Amendment or Revision” shall have the same meaning as such terms have under the Montana Metal Mine Reclamation Act, MCA 2-4-201 *et seq.* (1999), and the Montana Water Quality Act, MCA 75-5-101 *et seq.* (1999), and implementing administrative rules.

1.1 “Citizen Sampling” means sampling authorized by Section 3.1 of Appendix L of this Agreement, including the right to enter SMC premises for these purposes.

1.2 “Claimant” means the Party initiating arbitration under Section 9.4 of this Agreement by providing a written demand for arbitration to the Respondent.

1.3 “Commencement of the Permitting Process” means the date that SMC submits a proposed amendment, revision, proposal, or application to the MDEQ, CNF, GNF, or other relevant regulatory agencies.

1.4 “Dispute” means the inability of the relevant Oversight Committee or Technology Committee to obtain a majority vote on an issue arising under this Agreement within 120 days of its first recording in the official minutes of a Committee meeting.

1.5 “Documents” means any writing, letter, memorandum, computer records or files, statements, data, reports, studies, and other writings.

1.6 “East Boulder Mine” means SMC Mining Operations described in the East Boulder Operating Permit as amended from time to time.

1.7 “East Boulder Oversight Committee” (EBOC) means the Oversight Committee established by Section 7.0 of this Agreement.

1.8 “Effective Date” means the Effective Date of this Agreement, May 8, 2000.

1.9 “Emergency Environmental Audit” means an assessment, evaluation, review, or investigation of SMC Mining Operations conducted by a Third Party. Such audits are limited to the scope of the problem triggering the audit.

1.10 “Environment” means all surface waters, ground water, drinking water, land surfaces, subsurface strata, ambient air, and biological resources.

1.11 “Federal and State Environmental Laws and Regulations” shall include but is not limited to the following laws and regulations and any permits or plans required by these laws and regulations:

- 1.11.1 Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. Section 9601 et seq. (1988) and implementing regulations.
 - 1.11.2 Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Section 6901 et seq. (1988) and implementing regulations.
 - 1.11.3 Emergency Planning and Community Right-to-Know Act (EPCRA), 42 U.S.C. Section 11001 et seq. (1988) and implementing regulations.
 - 1.11.4 Federal Water Pollution Control Act (FWPCA), 42 U.S.C. Section 1251 et seq. (1988) and implementing regulations.
 - 1.11.5 Clean Air Act (CAA), 42 U.S.C. Section 7401 et seq. (1988) and implementing regulations.
 - 1.11.6 National Environmental Policy Act, 42 U.S.C. 4321 et seq. (1988) and implementing regulations.
 - 1.11.7 National Forest Management Act, 42 U.S.C. Section 1600 et seq. (1988) and implementing regulations.
 - 1.11.8 Forest Service Locatable Minerals Regulations, 40 CFR 228.
 - 1.11.9 Montana Water Quality Act, MCA 75-5-101 et seq. (1999) and implementing rules.
 - 1.11.10 Montana Clean Air Act, MCA 75-2-101 et seq. (1999) and implementing rules.
 - 1.11.11 Montana Metal Mine Reclamation Act, MCA 82-4-301 et seq. (1999) and implementing rules.
 - 1.11.12 Montana Environmental Policy Act, MCA 75-1-101 et seq. (1999) and implementing rules.
 - 1.11.13 The terms, conditions, stipulations, and mitigation measures required by any Record of Decision issued by the MDEQ, CNF, or GNF for the East Boulder Mine, Stillwater Mine or other SMC Mining Operations.
- 1.12 “Issues of Concern” shall include but are not limited to the following:
- a. Schools, local services, and infrastructure.
 - b. Roads and transportation issues.
 - c. Surface and groundwater resources, and associated aquatic life.
 - d. Air quality issues.

- e. Wildlife and fisheries.
- f. Recreational, aesthetic, and visual impacts.
- g. Land use issues.
- h. Health and safety issues.
- i. Reclamation and other mine closure issues.
- j. Other unforeseeable impacts on the local Environment and community.

1.13 “J-M Reef” means the PGM rich zone of the Stillwater Complex.

1.14 “Mining Operations” means all SMC exploration, development, extraction, processing, and refining of platinum group metals and other minerals and related activities in Montana, including but not limited to the East Boulder and Stillwater Mines.

1.15 “Mine-Sponsored Housing” means any Housing owned by, leased by or sub-leased by, operated by, or managed by or for the benefit of, SMC.

1.15.1 “Housing” means any structure, facility, or other dwelling unit that is used or occupied as a temporary or permanent home, residence, or sleeping space by any SMC employee, contractor, or subcontractor. Such housing also includes, but is not limited to, work camps, man camps, camping spaces, trailer parking spaces, and mobile, modular, or permanent barracks and structures.

1.16 “MPDES Permit” means the Montana Pollution Discharge Elimination System (MPDES) permit required by the Montana Water Quality Act, MCA 75-5-101 *et seq.*(1999) and ARM Title 17, Chapter 30, Subchapters 5, 6, 7, and 13.

1.16.1 “East Boulder MPDES Permit” means Permit # MT-0026808, as amended or renewed from time to time.

1.16.2 “Stillwater MPDES Permit” means Permit # MT-0024716, as amended or renewed from time to time.

1.17 “Operating Permit” means the operating permit required by the Montana Metal Mine Reclamation Act, MCA 82-4-301 *et seq.* (1999).

1.17.1 “Stillwater Mine Operating Permit” means Permit No. 00118, effective November 12, 1998, as amended or renewed from time to time.

1.17.2 “East Boulder Mine Operating Permit” means Permit No. 00149, effective May 20, 1999, as amended or renewed from time to time.

1.18 “Operational Emergency” means an Act of God, fire, or other unforeseeable event Notice of which is given to the Councils.

1.18.1 48-hour written notice. SMC shall provide Councils with Notice of all Operational Emergencies within 48 hours of their occurrence.

- 1.18.2 Effect. SMC is prohibited from using an operational emergency as a defense if such written notice is not given to Councils.
- 1.19 “Parties” means SMC and Councils.
- 1.20 “Party” means SMC, NPRC, CRC, or SPA.
- 1.21 “Pipeline” means all tailings slurry, adit water, tailings water, mill process water, and other Effluent pipelines identified in the Stillwater Mine Operating Permit effective November 12, 1998.
- 1.22 “Release from Pipeline” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, dumping, or otherwise disposing into the environment excluding any Federal or State permitted releases.
- 1.23 “Respondent” refers to the party (ies) who receive a written demand for arbitration.
- 1.24 “SMC” means Stillwater Mining Company (publicly traded under the symbol SWC), and all SMC successors and assigns, direct and indirect majority-owned subsidiaries, and affiliates. SMC includes all past and present owners or operators of SMC Mining Operations.
- 1.25 “Stillwater Mine” means SMC Mining Operations described in the Stillwater Mine Operating Permit as amended from time to time.
- 1.26 “Stillwater Oversight Committee” (SOC) means the Oversight Committee established by Section 7.0 of this Agreement.
- 1.27 “Technologies and/or Practices” may also be referred to as best available technology, state-of-the-art, or developing technology. New technology is the latest in technological achievement that has undergone critical evaluation in order to determine its efficacy, and typically employs recently proven technologies. Developing technology is typically innovative technology in the process of undergoing design, development, feasibility and implementation processes, and may include technology in trial or demonstration stage. Technology and practices includes traditional pollution prevention and treatment technologies, in-process changes, recycling, and changes in input materials. The Parties recognize that new technologies and practices are an evolving concept.
- 1.28 “Third Party or Third Parties” means a party mutually selected by Councils and SMC pursuant with Section 5 to complete a plan, report, project, audit, study, or sampling.

APPENIX B. INFORMATION

- All information required to be disclosed by Federal and State Environmental Laws and Regulations or other applicable federal, state, or local laws and regulations.
- Data generated or derived from the East Boulder Mine and Stillwater Mine Supplemental Monitoring Programs.
- Data generated or derived from Citizen Sampling conducted pursuant with Section 3.1 of Appendix L and Inspections conducted pursuant with Section 10.
- Information acquired during meeting, inspections, and other significant events with the MDEQ, CNF, GNF, and other relevant regulatory agencies.
- Data and information generated and derived from Third Party studies and reports including:
 - Periodic Environmental Audits under Section 13.3 and Appendix I.
 - Emergency Environmental Audits.
 - Reclamation Plan and Bond Evaluation under Section 13.4 and Appendix J.
 - Tailings and Waste Rock Project under Section 13.5 and Appendix K.
 - The Water Quality study and report under Section 13.7.6 and Section 5 of Appendix L.
 - The Ground Water Studies under Section 13.7.8 and Section 7 of Appendix L.
 - The Fisheries Study under Section 13.7.9 and Section 8 of Appendix L.
- Any final Arbitration Award.

**APPENDIX C. DESIGNATED COUNCILS STAFF AND
CONSULTANTS**

(Reserved)

APPENDIX D. ARBITRATION

- 1.0 Trigger. To resolve a Dispute under Section 9.0, Councils or SMC may initiate arbitration, and the dispute shall be arbitrated in the manner set forth in this Appendix.
- 1.1 Written Demand. The Claimant shall provide all Respondents with a written demand for arbitration by certified mail within 30 days of the expiration of the 120-day period specified in Section 9.0. The written demand for arbitration shall include a brief statement of the matter in Dispute, the section of the Agreement giving rise to the Dispute, and the remedies sought.
- 1.2 Negotiation Period. The receipt of the written demand for arbitration by the respondent initiates a 30-day negotiation period during which time the Parties shall negotiate in good faith to resolve the dispute. If the Dispute is not resolved within the 30-day negotiation period, the arbitration shall proceed.
- 1.3 Arbitration Panel. The Arbitration Panel shall decide all Disputes. The Arbitration Panel shall be comprised of one arbitrator selected by the Councils, one arbitrator selected by SMC, and one neutral arbitrator selected by the arbitrators so selected.
- 1.4 Selection of Councils and SMC Arbitrators. Councils and SMC shall select their respective arbitrators within 15 days of the end of the 30-day negotiation period. If the Councils or SMC fail to appoint an arbitrator within the time period, the American Arbitration Association (AAA) shall appoint such arbitrator within 10 (ten) days of being notified by either party of the need for such appointment.
- 1.5 Selection of neutral arbitrator. The arbitrator selected by Councils and the arbitrator selected by SMC shall, within 10 days of their appointment, select a third neutral arbitrator. In the event that they are unable to make such selection, the AAA shall appoint the third neutral arbitrator within 10 days of being notified by either Party of the need for such appointment.
- 1.6 Neutral arbitrator disclosure. Prior to the commencement of the arbitration hearing, the third neutral arbitrator shall provide an oath or undertaking of impartiality. To insure the complete independence of the neutral arbitrator, the neutral arbitrator shall disclose to the parties any circumstances that may affect impartiality. These circumstances include but are not limited to any bias, any direct or indirect financial or personal interest in the dispute, any past, present, or reasonably foreseeable direct or indirect financial dependence on the parties, and any other past, present, or reasonably foreseeable relationship with the parties or their representatives. Either Claimant or Respondent may object to the appointment of the neutral arbitrator based upon this disclosure. Upon objection of a party to the continued service of the neutral arbitrator, the AAA shall determine whether the arbitrator should be disqualified and shall inform the parties of its decision, which shall be conclusive.

1.7 Location. The arbitrators shall select Columbus, Big Timber, or Billings, Montana, as the place for arbitration.

1.8 Governing Law. The Parties acknowledge that this Agreement evidences a transaction involving interstate commerce and is subject to arbitration as provided in Title 5 of the U.S. Code, the United States Arbitration Act.

1.9 Guidelines. Unless otherwise agreed to by the Parties or provided in this Appendix, the American Arbitration Association (AAA) Environmental Arbitration Guidelines as in effect from time to time shall apply.

1.10 Injunctive Relief. Either respondent or claimant may apply to the Arbitration Panel seeking injunctive relief until the arbitration award is rendered or the dispute is otherwise resolved. Either Claimant or Respondent also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that Party, pending the Arbitration Panel's determination of the merits of the dispute.

1.11 Consolidation of Multiple Arbitrations. The Councils and SMC are bound each to each other, by this arbitration clause. If more than one arbitration is begun under this Agreement and one of the Parties contends that two or more arbitrations are substantially related and that the issues should be heard in one proceeding, the Arbitration Panel selected in the first-filed of such proceedings shall determine whether, in the interests of justice and efficiency, the proceedings should be consolidated before that Arbitration Panel.

1.12 Discovery. Consistent with the expedited nature of arbitration, Claimants and Respondents will, upon written request of the other Party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim. The scope of discovery shall be governed by MCA 25-20-rules 26-37. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel whose determination of such dispute shall be conclusive. All discovery shall be completed within 60 days following the appointment of the Arbitration Panel unless the Arbitration Panel determines that the discovery period must be extended because of a dispute over discovery.

1.13 Depositions. At the request of the Claimant or Respondent, the Arbitration Panel shall have the discretion to order examination by deposition of witnesses to the extent the Arbitration Panel deems such additional discovery relevant and appropriate. Depositions shall be limited to 3 (three) per Party and shall be held within 30 days of the making of a request.

1.14 Time of Arbitration hearing. The Arbitration Panel shall set the date, time, and place of the hearing and shall provide each Party with at least 30 days written notice of the hearing date.

1.15 Briefs. Each Party shall file a pre-hearing and post-hearing brief. The Arbitration Panel shall establish the required content and length of such briefs.

1.16 Stenographic record. There shall be a stenographic record of all arbitration proceedings and hearings and such record shall be the official record of such proceedings.

1.17 Award Time Line. The final award shall be made within 180 days of the Respondent's receipt of the written demand for arbitration. All the arbitrators shall agree to comply with this schedule before accepting appointment. The Parties, by written agreement, may extend this time limit.

1.18 Statute of Limitations. The requirements of filing a notice of claim with respect to the Dispute submitted to the Oversight Committee or to arbitration shall be suspended until the Arbitration Panel award.

1.19 Award. All decisions of the Arbitration Panel and the final award shall be by a majority vote of the Arbitration Panel. The final award shall be in writing and include findings of fact, a statement regarding the reasons for the disposition of the dispute, and any remedy awarded. All Arbitration Panel awards, decisions on questions of law, and findings of fact are final and binding on the Parties. The Arbitration Panel shall decide issues of procedural arbitrability.

1.20 Remedies. The Arbitration Panel may grant any remedy or relief that the panel deems is just and equitable and within the scope of the agreement of the Parties.

1.21 Arbitration costs and fees. The Arbitration Panel shall award to the prevailing Claimant or Respondent, if any, as determined by the Arbitration Panel, all of its "Arbitration Costs and Fees". "Arbitration Costs and Fees" mean all reasonable pre-award expenses, including the arbitrators' fees and expenses, administrative fees, stenographer costs, travel expenses, and out-of-pocket expenses such as copying and telephone costs.

1.21.1 Limitation. "Arbitration Costs and Fees" shall not include any attorney or witness fees incurred by a Claimant or Respondent. The Parties acknowledge that the Claimant and Respondent are responsible for their own attorney and witness fees.

1.22 Public information. A summary of the arbitration hearing and the final arbitration award shall be part of the public domain and may be disclosed by Councils or SMC, except for Confidential Information.

APPENDIX E. LEGAL DESCRIPTION OF SMC PROPERTIES

Beartooth Ranch Property

The Beartooth Ranch is situated on the following property in Stillwater County, Montana:

Township 5 South, Range 15 East, P.M.M.

Section 28: WSW°

Section 32: NE°NE°

Section 33: NW°NW°

containing 160 acres, more or less.

Stillwater Valley Ranch Property

Stillwater County, Montana (the Stillwater Valley Ranch)

Twp 5 South, Rge 15 East, M.M.M.

Sec 15: Tract in SW° being Tract 1 as shown
on Certificate of Survey No.
257878

Sec 15: Tract in SW°SW° as shown on Plat
No. 160856

Hertzler Ranch Property

Township 4 South, Range 16 East, Stillwater County, Montana
ENE°NE° of NW° of said Section 28, thence West 460 feet,
thence North 470 feet thence East 460 feet; thence South
470 feet, to the point of beginning, also that part of the
NE°SW° lying South and East of the center line of the
Stillwater River.

Stratton Ranch Property

The following property was leased from R.A. Mikelson in August of 1996 is/was known as the "Stratton Ranch"

The SSW°, Section 10, T.5 South, R15 East, and the NNW°
Section 15, T.5 South, R 15 East, Stillwater County,
Montana.

Boe Ranch Property

Township 3 South, Range 13 East, PMM, Sweet Grass County, Montana.

Section 9: All

Section 10: W

Section 17: All

Section 19: NE

Section 20: Lots 3,4,5,6,10, 11 and 14, and a tract of land located in the NE more particularly described as Tract A of Certificate of Survey No 129221 filed August 18, 1999 at 2:40p.m.in the office of the Clerk and Recorder, Sweet Grass County, MT.

Yates Property

The legal description of such property to be provided by SMC and incorporated into this Appendix within 90 days of the Effective Date.

APPENDIX F. EAST BOULDER MINE COMPREHENSIVE BUSING AND TRAFFIC REDUCTION PLAN

1.0 Traffic and Busing Plan. SMC shall develop, implement, and fund a comprehensive busing and traffic reduction plan (the “East Boulder Traffic Plan”) for the duration of SMC Mining Operations.

1.1 Implementation. SMC shall implement the East Boulder Traffic Plan to minimize all mine-related traffic on all mine-access roads, including but not limited to Federal Aid Secondary road 298 (Main Boulder River Road), Sweet Grass County road 31 (East Boulder River Road), Forest Service road 205, Sweet Grass County road 30, and Park County road 29 (Swingely Road), to the maximum extent possible.

1.2 Objective. The objective of the East Boulder Traffic Plan is to minimize and/or eliminate the adverse impacts of all mine-related traffic on road safety and maintenance, Boulder River valley residents, wildlife, surface waters and aquatic resources, and other resources.

1.3 Vehicle Permit System. SMC shall establish, maintain, and enforce a Vehicle Permit System for the East Boulder Mine. Except for persons displaying a valid vehicle permit, SMC shall prohibit employees, visitors, contractors, subcontractors, and vendors from entering or leaving the mine site by private vehicle. SMC shall provide bus transportation to and from the mine site for all unpermitted employees, visitors, contractors, subcontractors, and vendors. SMC shall prohibit unpermitted vehicles from parking at the mine site, shall notify appropriate law enforcement authorities of any unpermitted vehicles parked at the mine site, and shall take all necessary steps, including towing, to have such vehicles removed.

1.4 Permit Limitations. Up to a maximum of 35 vehicle permits may be assigned by SMC at their discretion to employees, visitors, subcontractors, vendors, or contractors. Each permit allows one round-trip to the mine site per day. The holders of such permits may enter or leave the mine site by private vehicle, and may park a private vehicle at the mine site.

1.4.1 Exclusions. Non-routine visitors and SMC employees with multiple site responsibilities that require travel between the East Boulder Mine and Boe Ranch Property are exempted from the vehicle permit system.

1.5 Car Pooling. SMC shall require all holders of vehicle permits to car pool to the maximum extent possible. SMC shall maintain a car pooling objective of at least 3.0 riders per permitted vehicle (measured as a daily mean).

1.6 Monitoring Program. SMC shall establish and maintain a daily traffic monitoring program to verify its compliance with this provision. At a minimum, such program shall

monitor and record the number of riders in each permitted vehicle measured at the mine-site check-in gate, the number of unpermitted vehicles in the parking lot during each shift, and the disposition of each such vehicles. This monitoring program shall also verify SMC's compliance with the Commercial Traffic Reduction Plan (Subsection 7.25-7.31) and shall monitor and record the number of commercial vehicles making deliveries to the mine site per day measured at the mine-site check-in gate. SMC shall provide a quarterly report to the CRC/NPRC representatives on the Oversight Committee at least 10 days before each quarterly meeting.

1.7 Inspections. NPRC/CRC shall have the right to conduct unannounced inspections to evaluate SMC's compliance with the East Boulder Traffic Plan, and may request more frequent monitoring reports if conditions warrant.

1.8 Incorporation. In addition to being a term of this Agreement, the East Boulder Traffic Plan must be incorporated into the Plan of Operations for the East Boulder Mine.

1.9 Limits On Staging Area. The nearest bus stop from the East Boulder Mine site would be no closer than within the city limits of Big Timber.

1.10 Mitigation Measures. The Oversight Committee shall develop and implement additional mitigation measures necessary to address the issues regarding SMC employees, contractors, and subcontractors with residences in the Boulder River valley south of Big Timber. The Oversight Committee shall develop and SMC shall implement these mitigation measures within 90 days of the effective date of this Agreement. The Oversight Committee shall review this issue periodically to address any material changes in circumstances.

1.11 Busing. SMC shall require all SMC employees, subcontractors, and contractors with permanent residences south of Big Timber and within a three mile radius of the Big Timber city limits to ride the bus.

APPENDIX G. STILLWATER MINE TRAFFIC REDUCTION PLAN

1.0 Traffic Plan. SMC shall develop, implement, and fund a comprehensive traffic reduction plan (hereinafter Stillwater Traffic Plan) for the duration of Mining Operations.

1.1 Implementation. SMC shall implement the Stillwater Traffic Plan to minimize all mine-related traffic on all mine-access roads to the maximum extent possible.

1.2 Objective. The objective of the Stillwater Traffic Plan is to minimize or eliminate the adverse impacts of all mine-related traffic on road safety and maintenance, Stillwater River valley residents, wildlife, surface waters and aquatic resources, and other resources.

1.3 Limit on Vehicle Trips. SMC shall limit the number of round-trip vehicle trips to the Stillwater Mine by employees, contractors, and subcontractors to a monthly mean of 110 trips per 24-hour period.

1.3.1 Measurement. SMC shall monitor traffic to the Stillwater Mine and record the number of vehicles entering mine premises over each 24-hour period.

1.3.2 Exemptions. The following persons are exempt from the limit of 110 round-trip vehicle trips per 24-hour period:

(a) Persons with residences within the following Townships in Stillwater County: T4 and 5S, R 15E, T4 and 5S, R 16E, and T3 and 4S, R 17E. SMC shall use best efforts to provide incentives to encourage these persons to carpool or take bus transportation.

(b) SMC employees, contractors, or subcontractors with multiple site ore on-call responsibilities.

(c) SMC employees driving SMC-owned vehicles.

(d) Contractors employed during construction pulses for a period of less than or equal to 30 days that drive commercial vehicles.

1.3.3 Change in Circumstances. If there is a material change in circumstances, such as the development of a subdivision in the above Townships, that significantly changes the number of persons with residences in designated areas, the SOC shall address the issue.

1.4 Car Pooling. SMC shall require all persons driving private vehicles, including those exempted above, to car pool to the maximum extent possible.

1.5 Busing Program. SMC is providing bus transportation to and from the mine site for all employees, contractors, and subcontractors. The Parties acknowledge that a

busing program is the most effective means of reducing traffic and ensuring safety. SMC shall provide bus transportation as long as it is affordable.

1.5.1 Conditions of Suspension. Before suspending the busing program, SMC shall:

- (a) Prepare a report explaining why providing bus transportation is no longer affordable and provide an opportunity for NPRC/SPA to review the report.
- (b) Discuss the report at the next scheduled SOC meeting.
- (c) Develop and implement a carpooling program or other program to meet the limitation of 110 round-trip vehicle trips per day.

1.5.2 Re-Establish. SMC shall re-establish the busing program if changes in circumstances make providing bus transportation affordable.

1.6 Condition of Employment. SMC shall require, as a condition of employment, busing and/or carpooling for all employees, contractors, and subcontractors hired after 30 days from the Effective Date.

1.7 Monitoring Program. SMC shall establish and maintain a daily traffic monitoring program to verify its compliance with this provision. At a minimum, such program shall monitor and record the number of riders in each permitted vehicle measured at the mine-site check-in gate, the number of unpermitted vehicles in the parking lot during each shift, and the disposition of each such vehicles. This monitoring program shall also verify SMC's compliance with the Commercial Traffic Reduction Plan (Appendix H) and shall monitor and record the number of commercial vehicles making deliveries to the mine site per day measured at the mine-site check-in gate. SMC shall provide a report at each quarterly SOC meeting.

1.8 Inspections. SPA/NPRC shall have the right to conduct unannounced inspections to evaluate SMC's compliance with the Stillwater Traffic Plan and may request more frequent monitoring reports if conditions warrant.

1.9 Staging Areas. SMC shall provide staging areas to maximize access to busing and carpooling for employees, contractors, and subcontractors; to meet the performance requirements of this Plan; and to meet the needs of its expanding work force. SMC shall locate staging areas in Billings, Columbus, Absarokee, Red Lodge and any other areas if necessary.

1.9.1 Prohibition. SMC shall prohibit staging areas closer to the Stillwater Mine than Absarokee, except for staging areas in Dean and Fishtail established for the purpose of providing bus transportation to employees, contractors, and subcontractors with residences within a 3-mile radius of Dean and Fishtail.

1.10 Mitigation Measures. The Oversight Committee shall develop additional mitigation measures to address mine-related traffic issues as they arise and review all shift change proposals, speed limit issues, and construction-related traffic issues.

1.11 Training Sessions. SMC shall provide orientation and training sessions for employees emphasizing the importance of safe and courteous driving on local roads with the objective of reducing noise, excessive speed, and other negative impacts on the roads. At the SMC weekly safety meetings, driver safety messages will be presented. SPA/NPRC representatives have the right to attend the safety meetings and may deliver driver safety/traffic presentations or suggest such presentations be added to the agenda. SMC shall present safety reports to the Oversight Committee on a quarterly basis.

APPENDIX H. COMMERCIAL TRAFFIC REDUCTION PLAN

- 1.0 Objective. The objective of the Commercial Traffic Reduction Plan is to minimize commercial traffic to both the Stillwater and East Boulder Mine sites to the maximum extent possible. For the purposes of this agreement, “Commercial Traffic” means all truck, delivery, and other service traffic to and from the mine site, except for SMC-sponsored busing required by this section.
- 1.1 Staging Areas. SMC shall minimize commercial traffic to the East Boulder Mine and Stillwater Mine sites by establishing central staging areas and/or warehouses in Columbus and Big Timber, Montana.
- 1.2 Shipments. SMC shall consolidate all shipments and require all contractors, subcontractors, and vendors, as a condition of service, to consolidate all shipments to both mine sites.
- 1.3 Monitoring. SMC shall implement and maintain a program to monitor the total number of commercial vehicles traveling to both mine sites per day. SMC shall provide a quarterly report to the relevant Oversight Committee.
- 1.4 Limits. SMC shall limit all commercial traffic to 10 vehicles per day per mine (measured as a daily mean) to the maximum extent possible.
- 1.5 Deliveries. SMC shall use busses, vans, and other permitted vehicles to make deliveries to both mine sites to the maximum extent possible.
- 1.6 Hours. SMC shall restrict all commercial traffic to deliveries of supplies and equipment to the East Boulder Mine to daylight hours or to between the hours of 7 A.M. and 6 P.M., whichever is more restrictive, except during operational emergencies.
- 1.7 Construction Pulses. SMC may request exceptions for construction pulses. The EBOC and SOC shall approve all such exceptions.

APPENDIX I. ENVIRONMENTAL AUDIT PROGRAM FOR THE EAST BOULDER AND STILLWATER MINES

- 1.0 Objectives. The objectives of the environmental audits are:
- 1.0.1 To evaluate SMC compliance with Federal and State Environmental Laws and Regulations.
 - 1.0.2 To evaluate SMC compliance with its internal environmental management policies and procedures.
 - 1.0.3 To evaluate SMC compliance with the terms, conditions, and performance objectives of this Agreement.
 - 1.0.4 To evaluate SMC waste control, minimization and reduction practices.
- 1.1 Frequency. The initial environmental audit for the East Boulder and Stillwater Mines shall be completed within 24 months of the Effective Date. The next subsequent audits shall be completed within five years of the Effective Date, and subsequent audits shall be coordinated to coincide with the MPDES renewal processes.
- 1.2 Limitation. The evaluation of SMC compliance with record keeping and reporting requirements under objective 1.0.1 shall be limited to Repeat Non-Compliances. "Repeat Non-Compliances" means a pattern of the same or closely related non-compliances of record keeping or reporting requirements that have occurred within the past 3 (three) years.
- 1.3 Criteria. The Parties shall establish the criteria, protocols, methods, and procedures and shall further delineate the focus of the environmental audits consistent with the objectives of Section 1.0 to insure the initial environmental audits are completed within 24 months of the Effective Date. New Section. The Technology Committee and relevant Oversight Committees shall determine the final scope of the audits consistent with the objectives of Section 1.0.
- 1.4 Participation. Councils shall have the right to Participate in all aspects of the environmental audits. Such participation shall include but is not limited to the following rights:
- 1.4.1 The right to participate in all site inspections and visits conducted by the Third Party.
 - 1.4.2 The right to participate in all interviews of relevant SMC employees, consultants, and regulatory agency personnel conducted by the Third Party.
 - 1.4.3 The right to access all Information relevant to the environmental audit, subject to the limitations set forth in Section 3.0.

1.4.4 The right to take photographs and take samples of the Environment during such audits.

1.5 Draft Audit Report. The Third Party shall prepare a draft audit report to be reviewed by the EBOC or SOC. The Parties shall submit written comments and suggestions on the draft report within 45 days of receipt of the draft report.

1.6 Final Audit Report. The Third Party shall prepare a Final Audit Report addressing the comments and suggestions made by the Parties within 45 days of receipt of such comments and/or suggestions. The Final Audit Report shall summarize the results of the audit, make recommendations and conclusions, and identify corrective measures necessary to address any issues of SMC compliance with the objectives of Section 1.0 of this Appendix.

1.7 Implementation. SMC shall implement the recommendations and corrective measures identified in the Final Audit Report consistent with the following:

1.7.1 In the event the recommendations and corrective measures are related to objective 1.0.1, SMC shall immediately implement the recommendations and corrective measures.

1.7.2 In the event the recommendations or corrective measures are related to objectives 1.0.2-4, the EBOC or SOC shall decide what recommendations or corrective measures SMC will be required to implement.

1.8 Progress Reports. SMC shall prepare quarterly reports and an annual report summarizing the implementation of any recommendations or corrective measures. The EBOC and SOC shall review such reports.

1.9 Information. The Final Audit Report shall be available to the public.

1.9.1 Confidential Information. In the event that SMC asserts that there is Confidential Information within the scope of the information and activities affected by these environmental audits, the Parties shall address the issues pursuant with Section 3.0.

1.10 Not Applicable. This section is not applicable to any Emergency Environmental Audit triggered by another section of this Agreement.

APPENDIX J. RECLAMATION PLAN AND PERFORMANCE BOND EVALUATION

1.0 Evaluations. The Responsible Mining Practices and Technology Committee shall conduct an evaluation of the SMC Reclamation Plan, Performance Bond, and interim reclamation plan for the Stillwater Mine and East Boulder Mine. A Third Party shall complete the evaluation, and SMC shall fund the evaluation up to \$35, 000.

1.1 Definitions. For the purposes of this Agreement,

1.1.1 “Performance Bond” means a surety bond or similar bond required to be provided by SMC under state or federal law with respect to reclamation obligations, including but not limited to, the bond required by MCA § 82-4-338 (1999) (performance bond).

1.1.2 “Reclamation” means the return of lands disturbed by mining or mining-related activities to an approved post-mining land use which has the stability and utility comparable to that of the pre-mining landscape to the extent Economically Feasible. Reclamation shall be performed consistent with applicable Federal and State Environmental Laws and Regulations.

1.1.3 “Reclamation Plan” means a plan as defined by MCA § 82-4-303(14) (definition of reclamation plan) and § 82-4-336 (reclamation plan and specific reclamation requirements), and applicable administrative rules.

1.2 Timeline. These evaluations shall be completed within 1 (one) year for the Stillwater Mine and within 2 (two) years for the East Boulder Mine from the Effective Date.

1.3 Objectives. The objectives of these evaluations shall include but are not limited to the following:

1.3.1 To evaluate the SMC Reclamation Plan and Performance Bond for compliance with applicable Federal and State Environmental Laws and Regulations.

1.3.2 To evaluate the SMC Reclamation Plan and Performance Bond for adequacy with respect to sound engineering and environmental practices.

1.3.3 To make recommendations to improve the Reclamation Plan and Performance Bond.

1.3.4 To make recommendations to improve interim reclamation practices consistent with the objectives of Section 1.6 of this Appendix.

1.4 Participation. Councils shall have the right to Participate in all aspects of the Reclamation Plan and Performance Bond Evaluation. Such participation shall include but is not limited to the following rights:

1.4.1 The right to participate in all site inspections and visits conducted by the Third Party.

1.4.2 The right to participate in all interviews of relevant SMC employees, consultants, and regulatory agency personnel conducted by the Third Party.

1.4.3 The right to access all Information relevant to the Reclamation Plan and Performance Bond Evaluation, subject to the limitations set forth in Section 3.

1.5 Interim Reclamation Plan Revision. SMC shall revise the interim reclamation plan for the East Boulder Mine and Stillwater Mine within 90 days of the relevant Oversight Committee approval of the final report. Such revisions shall incorporate the recommendations of the final report approved by the relevant Oversight Committee.

1.6 Interim Reclamation Objectives. The objectives of the interim reclamation plan shall include but are not limited to the following:

1.6.1 The Plan shall incorporate the recommendations of the final report approved by the relevant Oversight Committee.

1.6.2 The Plan shall minimize the number of disturbed acres at the mine site and shall incorporate the concept of concurrent reclamation.

1.6.3 The Plan shall minimize and/or eliminate the invasion of noxious weeds on all SMC properties.

1.6.4 The Plan shall maximize the re-vegetation of disturbed areas to restore the nutrient balance of the soils to maximize the success rate of restoring all disturbed areas to their natural vegetative condition.

1.6.5 The Plan shall minimize and/or eliminate erosion and sediment runoff from disturbed areas.

1.6.6 The Plan shall be designed to ensure all areas are readily accessible for ongoing weed control efforts.

1.6.7 The Plan shall substantially minimize the aesthetic and visual impacts to the surrounding environment.

APPENDIX K. TAILINGS AND WASTE ROCK PROJECT

1.0 Obligation and Objectives. SMC shall establish, maintain, and fund a Tailings and Waste Rock Project (the “Project”).

1.1 Project Objectives. The objectives of the Project shall include but are not limited to the following:

1.1.1 To minimize and/or eliminate the need for additional traditional Tailings Impoundments and Waste Rock disposal areas in the Boulder River and Stillwater River Watersheds.

1.1.2 To minimize the production of tailings and Waste Rock at the East Boulder and Stillwater Mines to the extent Economically Feasible.

1.1.3 To identify and quantify future tailings and Waste Rock production and disposal requirements at the East Boulder and Stillwater Mines.

1.1.4 To identify, research, develop, and implement Economically Feasible new Technologies and/or Practices or modify existing Technologies and Practices to:

- (a) Minimize the production of tailings and Waste Rock;
- (b) Maximize the life expectancy and capacity of all existing impoundments and Waste Rock disposal areas;
- (c) Eliminate and/or minimize the environmental impacts associated with the disposal of tailings and Waste Rock; and
- (d) Eliminate and/or minimize the need for the surface disposal of tailings and Waste Rock.

1.1.5 To evaluate existing Tailings Impoundments and Waste Rock disposal plans and to make recommendations to improve their design to more adequately protect the Environment and more adequately address safety concerns.

1.1.6 To recognize that best available technology and practices are an evolving concept.

1.2 Definitions. For the purposes of this Agreement,

1.2.1 “Tailings Impoundment” means any structure used to store or contain processed ore (tailings) from a flotation or similar mineral process plant. Tailings Impoundment types may include cross valley, side hill, ring dike and valley bottom dams constructed by either upstream, downstream, or centerline methods. A Tailings Impoundment typically consists of an embankment that contains mill tailing in the form of a slurry and provides for geologic containment, contaminant migration, groundwater protection and related issues. Tailings Impoundments may

also be referred to as a tailings repository when used for de-watered or dry tailings storage.

1.2.2 “Waste Rock” means mined material disposed of on the surface that is classified and segregated as material Waste Rock because it does not contain economic value.

1.3 Participation. Councils shall have the right to Participate in all aspects of the Project. Such participation shall include but is not limited to the following rights:

1.3.1 The right to participate in all site inspections and visits conducted by the Third Party.

1.3.2 The right to participate in all interviews of relevant SMC employees, consultants, and regulatory agency personnel conducted by the Third Party.

1.3.3 The right to access all Information relevant to the Project, subject to the limitations set forth in Section 3.0.

Phases. This Project shall consist of the following three phases:

1.4 Phase 1: Evaluation Phase.

1.4.1 Objectives. The objectives of Phase 1 shall include but are not limited to the following:

- (a) To evaluate existing tailings and Waste Rock disposal plans;
- (b) To determine their adequacy with respect to sound engineering and environmental practices;
- (c) To identify, evaluate, and recommend alternative locations for future tailings and Waste Rock disposal areas in the event such disposal options prove necessary; and
- (d) To make recommendations and conclusions for Phase 2 of this Project.

1.4.2 Locations. In evaluating the suitability of locations for future tailings and Waste Rock disposal areas, SMC shall:

- (a) Give preference to locations outside the 100-Year Floodplain. The 100-year floodplain shall be determined by information published by the Federal Emergency Management Agency (FEMA) in its Flood Insurance Study or similar information which contains discharges and water-surface elevations for 100-year floods, which have annual exceedence probabilities of 1%. The 100-year flood plain shall be defined as the area inundated by water-surface elevations during a 100-year storm event. The relevant Oversight

Committee shall establish the 100-year plain for both the East Boulder Mine and Stillwater Mine within 1 year of the Effective Date.

- (b) Not consider locations within visual view of the Boulder River Watershed and East Boulder River Watershed below the Gallatin National Forest boundary.
- (c) Give preference for locations within permit boundaries existing on the Effective Date.

1.4.3 Framework. The Parties shall use the following framework to complete Phase I:

- (a) The Third Party shall review all SMC Tailings Impoundment and Waste Rock disposal plans, studies, and reports.
- (b) The Third Party shall meet with SMC and discuss this information and discuss future production and/or expansion plans.
- (c) The Parties shall review literature and other information on traditional and innovative, emerging tailings and Waste Rock disposal techniques (i.e., paste).
- (d) The Third Party shall tour and review SMC tailings backfill operations and other relevant tailings and Waste Rock disposal facilities and discuss research and development plans. The Parties may tour other relevant mining facilities if appropriate.
- (e) The Technology Committee shall critically evaluate SMC existing and proposed tailings facilities, Waste Rock disposal studies and plans, and paste tailings evaluations with other existing and proposed mining operations.
- (f) The Technology Committee shall prepare draft reports with a discussion of information derived from above tasks, including conclusions and recommendations.
- (g) The Parties shall review the draft report separately, followed by review by the Technology Committee, and report out to the Oversight Committee.
- (h) The Technology Committee shall draft a final report with each Party reserving the right to include a minority report.
- (i) The Oversight Committees shall review and approve the final report and decide which recommendations and conclusions should be used in Phase II.

1.5 Phase II: Research, Development, and Piloting Phase. SMC shall use the recommendations and conclusions of the Phase I Final Report to establish its research and development (R&D) expenditures in the areas of tailings and Waste Rock disposal.

1.5.1 Feasibility Study. If a decision must be made as to whether a Technology and/or Practice should be piloted or otherwise tested on an industrial scale, an Economic Feasibility study and report shall be completed pursuant with Section 6.

1.6 Phase III: Implementation of Successfully Piloted or Tested Technologies and Practices. SMC shall implement any Technologies and/or Practices that are determined to be Economically Feasible pursuant with Section 6.

1.7 Timeline. The following deadlines shall apply to this Project:

1.7.1 Phase I. Phase I shall be initiated within 6 months of the Effective Date. Phase I shall be completed as soon as possible but no later than 24 months from the Effective Date.

1.7.2 Phases II. Phase II shall be completed as soon as possible but before SMC submits a proposal and/or application for additional tailings and Waste Rock disposal.

1.7.3 Phase III. If Economically Feasible Technologies and/or Practices are identified by Phase II of this Project, SMC shall incorporate the Technologies and/or Practices in additional tailings and Waste Rock disposal plans. SMC shall implement paste tailings or alternative technologies in existing impoundments and Waste Rock disposal areas if such implementation is determined to be Economically Feasible.

1.8 Projections. This Project shall evaluate future tailings and Waste Rock disposal requirements from all SMC operations based upon the projected production rate for the East Boulder and Stillwater Mines of 1.2 million ounces of PGMs per year. This Project shall incorporate any changes in SMC projected production rates.

APPENDIX L. COMPREHENSIVE SURFACE WATER, GROUND WATER, AND AQUATIC RESOURCES PROTECTION PROGRAM

SECTION 1.0 OBJECTIVES

1.0 Objectives. The objectives (the “Objectives”) of the Comprehensive Surface Water, Ground Water, and Aquatic Resources Protection Program (the “Water Program”) shall include the following:

1.0.1 To provide an opportunity for the Councils to Participate in the development and oversight of SMC Water Management Plans.

1.0.2 To identify and address potential issues of concern related to water quality at the earliest possible time.

1.0.3 To adopt a proactive precautionary approach for the Water Management Plans at the East Boulder and Stillwater Mines.

1.0.4 To maintain the Baseline Water Quality, Biological Integrity, and Beneficial Uses of the of the East Boulder and Stillwater Rivers and ground waters that may be impacted by SMC Mining Operations.

1.0.5 To minimize and if Economically Feasible eliminate surface water mixing zones from the East Boulder and Stillwater MPDES Permits by the next 5-year renewal process (2004) or subsequent renewal processes.

1.0.6 To minimize and if Economically Feasible eliminate ground water mixing zones from the East Boulder and Stillwater MPDES Permits by the next 5-year renewal process (2004) or subsequent renewal processes.

1.0.7 To minimize and if Economically Feasible eliminate a Direct Discharge of Effluent from the East Boulder and Stillwater MPDES Permits by the next 5-year renewal process (2004) or subsequent renewal processes.

1.0.8 To minimize and if Economically Feasible eliminate the Direct Discharge and Indirect Discharge of Pollutants from SMC Mining Operations to surface and ground waters

1.0.9 To make the East Boulder and Stillwater Mines Zero Discharge Facilities if Economically Feasible.

1.0.10 To identify new Technologies and/or Practices and modifications of present Technologies and/or Practices to meet the above Objectives.

SECTION 2.0 DEFINITIONS

2.0 Definitions. In addition to the definitions of capitalized terms in other Sections of this Agreement and Appendices, the following capitalized terms when used in this Agreement and Appendices shall be defined as follows:

2.1 “Baseline Water Quality, Biological Integrity, and Beneficial Uses” means the quality of the receiving water and biological integrity and natural variations immediately prior to the commencement of Mining Operations or, if available, the quality of the receiving water and natural variations that can be adequately documented to have existed on or after July 1, 1971.

2.2 “Biological Integrity” means the ability of an aquatic ecosystem to support and maintain a balanced, integrated, adaptive community of organisms having a species composition, diversity, and functional organization comparable to that of the natural habitats within a region.

2.3 “Boulder River Watershed” shall include the Boulder River (Montana Waterbody # MT43BJ001-2), the East Boulder River (Montana Waterbody # MT43BJ001-2), West Boulder River, and all tributaries.

2.4 “Discharge of Pollutants” means the addition of any pollutant to surface or ground waters from any point source.

2.4.1 “Direct Discharge(s)” means a Discharge of Pollutants from Outfall 001 in the East Boulder and Stillwater MPDES Permits.

2.4.2 “Indirect Discharge(s)” means a Discharge of Pollutants from all other Outfalls in the East Boulder and Stillwater MPDES Permits and discharges from LAD and snowmaking operations.

2.5 “Exceedence” A parameter shall have exceeded an Instream Trigger Level, a Trigger Level for Direct Discharges or a Trigger Level for Indirect Discharges under the following conditions:

2.5.1 “Tier 1 Exceedence” A parameter has exceeded a Tier 1 Trigger Level if 4 (four) or more samples during any consecutive 180-day period show the concentration and/or load of the parameter is greater than or equal to any Tier 1 Trigger Level.

2.5.2 “Tier 2 Exceedence” A parameter has exceeded a Tier 2 Trigger Level if 2 (two) or more or repetitive samples show the concentration and/or load of the parameter is greater than or equal to any Tier 2 Trigger Level.

2.5.3 “Tier 3 Exceedence” A parameter has exceeded a Tier 3 Trigger Level if 2 (two) or more or repetitive samples show the concentration or load of the parameter is greater than or equal to any Tier 3 Trigger Level.

2.6 “Land Application Disposal (LAD)” The application of treated Effluent by irrigation spraying or similar methods to vegetated land for the purpose of exploiting the agronomic uptake of nutrients and water into plant matter.

2.7 “Lowest Applicable Water Quality Standard” means the most stringent water quality standard for the parameter established under the Clean Water Act and implementing regulations or the Montana Water Quality Act and implementing administrative rules.

2.8 “Monitored-Parameters” means any physical, chemical, or biological parameter for which SMC is required to monitor under this Agreement, as described in Section 12.0 of this Appendix or by Federal and State Environmental Laws and Regulations.

2.9 “Nutrients” means total inorganic nitrogen and total phosphorus.

2.10 “Sampling and Monitoring Events” means all sampling events required by this Agreement or Federal and State Environmental Laws and Regulations.

2.11 “Sampling and Monitoring Sites” shall include but are not limited to Effluent sites, instream surface water sites, and ground water monitoring sites established by this Agreement or required by Federal or State Environmental Laws and Regulations.

2.12 “Stillwater River Watershed” includes the Stillwater River (Montana Waterbody # MT43C001) and all tributaries.

2.13 “Treatment Systems” shall include but are not limited to clarification and filtration systems, LAD operations, biological denitrification systems, and snowmaking operations.

2.14 “Trigger Level(s)” means a specified concentration and/or load of a parameter, the exceedence of which triggers specific response and remedial actions under this Agreement and shall include:

2.14.1 Instream Trigger Levels described and established pursuant with Section 9.1 of this Appendix;

2.14.2 Trigger Levels for Direct Discharges described and established pursuant with Section 9.2 of this Appendix; and

2.14.3 Trigger Level for Indirect Discharges described and established pursuant with Section 9.3 of this Appendix.

2.15 “Effluent” means all adit and mill process water from SMC Mining Operations, except for Unaltered Ground Water.

2.15.1 “Unaltered Ground Water” means ground water intercepted during Mining Operations. Ground water shall be considered unaltered only if SMC can show through sampling of the ground water that:

- (a) There has been no change in the Baseline Water Quality of the ground water after its interception and the intercepted ground water has not been mixed with Effluent; and
- (b) The Baseline Water Quality (chemistry) of the intercepted ground water is the same or better than the Baseline Water Quality of the receiving surface or ground waters.

2.16 “Water Management Plan or Water Management Facility(ies)” means SMC water collection, storage, treatment, and disposal plans or facilities for the East Boulder and Stillwater Mines.

2.17 “Zero Discharge Facility(ies)” means no Discharge of Pollutants into surface or ground water from any pipe, percolation pond, LAD operations, or snowmaking operations. To become a Zero Discharge Facility, SMC shall:

2.17.1 Eliminate Direct and Indirect Discharges of Effluent and Unaltered Ground water from SMC Mining Operations;

2.17.2 Operate LAD systems so that the following conditions are satisfied:

- (a) The actual, measured, application rate of Nutrients and water is less than or equal to the actual, measured agronomic uptake rate of the site-specific vegetation (habitat type) for each LAD area;
- (b) The actual, measured application rate of Nutrients and water is less than or equal to the calculated water uptake rate of the site-specific soil type for each LAD area;
- (c) Discharges to LAD areas occur only during the established growing season for the specific LAD area and only during daylight hours or the actual, measured daily agronomic uptake period; and

(d) Levels of all pollutants have been minimized by maximizing and prioritizing the use of Treatment Systems prior to disposal.

2.17.3 Continue to study and monitor the performance of all LAD systems and prepare periodic written reports that evaluate the performance of the LAD systems;

2.17.4 Shows through monitoring data that LAD systems will not result in a Discharge of Pollutants into surface or ground waters; and

2.17.5 Shows through monitoring data that snowmaking operations will not result in a Discharge of Pollutants into surface or ground waters.

SECTION 3.0 GENERAL REQUIREMENTS

3.0 Participation in SMC Sampling. The Parties acknowledge that SMC employees and consultants shall be responsible for the collection of most of the data under the Water Program. The Designated Councils Representatives shall have the right to observe all scheduled Sampling and Monitoring Events. Designated Councils Representatives shall have the right to enter SMC premises for these purposes.

3.0.1 Sampling Schedule. SMC shall provide the EBOC and SOC with a written plan of all scheduled Sampling and Monitoring Events tentatively planned for the next calendar quarter at each Oversight Committee meeting.

3.0.2 Additional Samples. During all Sampling and Monitoring Events, Councils have the right to collect, or have SMC employees and/or consultants collect a reasonable number of duplicate samples.

3.0.3 Sample Analysis. Up to 10% of all samples collected during SMC Sampling and Monitoring Events shall be analyzed by a competent firm. Such firm shall be designated by the Councils and consented to by SMC within 90 days of the Effective Date. If there is a significant discrepancy between the results of this firm and the results of the SMC monitoring program, the Parties shall select a Third Party to review the sampling results and make recommendations.

3.1 Citizen Sampling. The Councils shall have the right to conduct Citizen Sampling of the Environment for any physical, chemical, or biological parameter. Designated Councils Representatives shall have the right to enter SMC premises for these purposes.

3.1.1 Limitations. Councils right to conduct Citizen Sampling is subject to the following limitations:

- (a) The Councils shall give SMC at least 72 hours Notice before sampling on SMC premises. The Notice shall include a list of Council members and representatives that will be participating in the sampling;
- (b) The Councils shall be accompanied by SMC employees and/or consultants when sampling on SMC premises;
- (c) Councils shall comply with all applicable Federal and State laws and regulations pertaining to occupational safety and health during such sampling;
- (d) For all samples of the Environment collected by Councils, prior to leaving the premises, Councils shall give SMC a receipt describing the sample taken and a portion of each such sample;
- (e) The quality assurance/quality control (QA/QC) measures of all the Councils sampling shall be consistent with the recommendations of Barbour, M.T., J. Gerritsen, B.D. Snyder, and J.B. Stribling. 1999. Rapid Bio-assessment Protocols for Use in Streams and Wadeable Rivers: Periphyton, Benthic Macroinvertebrates and Fish. Second Edition. EPA/841-B-99-002. U.S. EPA, Office of Water, Washington, D.C. and the QA/QC of the SMC monitoring program.

3.2 Reporting Program. SMC shall design, implement, and maintain an expanded reporting program. SMC shall coordinate this reporting program with the reporting requirements of the Federal and State Environmental Laws and Regulations to the maximum extent possible.

3.2.1 Timeline. SMC shall implement this reporting program for the East Boulder Mine as soon as possible but no later than 120 days from the Effective Date. SMC shall implement this reporting program for the Stillwater Mine as soon as possible but no later than 90 days from the SOC approval of the Stillwater Mine Supplemental Monitoring Plan.

3.2.2 Quarterly Reports. SMC shall prepare quarterly reports that summarize all water and aquatic resource monitoring data from the preceding three months and identify any trends in water quality for Monitored-Parameters. These quarterly reports shall summarize the status of each Monitored-Parameter in relation to the Trigger Framework established by Section 9.0 of this Appendix. SMC shall summarize the most recent quarterly data at the relevant Oversight Committee meetings and incorporate the data into the Database established by Section 4.0 of this Appendix.

3.2.3 Annual Report. SMC shall prepare an annual report that summarizes the data from the quarterly reports and compares the data to previous years data.

3.2.4 Review. The relevant Oversight Committees shall review the quarterly and annual reports.

3.2.5 3-Year Review. After the collection of 36 months of data under the Water Program, the Oversight Committees shall review and evaluate all such data. Each Oversight Committee shall make any necessary modifications to its respective supplemental monitoring program established by Section 6.0 of this Appendix. Each Oversight Committee shall make any necessary modifications to the respective SMC regulatory monitoring programs to be submitted to the appropriate administrative agency. The Oversight Committees shall decide the need to continue the supplemental monitoring programs.

SECTION 4.0 DATABASE

4.0 Establishment of Database. SMC shall establish and maintain an electronic database (the “Database”) of all historic baseline data and all data derived from SMC Sampling and Monitoring Events.

4.1 Requirements

- i. The Councils shall have access to this Database.
- ii. SMC shall design and develop a plan for establishing this Database for the East Boulder and Stillwater Mines as soon as possible but no later than 90 days from the Effective Date. This Database shall be operational as soon as possible but no later than 150 days from the Effective Date.
- iii. SMC shall incorporate all data collected or derived from the Water Program and the monitoring programs required by Federal or State Environmental Laws and Regulations into this Database. SMC shall incorporate this data on a quarterly basis.
- iv. The Oversight Committees shall use this Database to monitor trends in water quality, to develop and implement the programs established by the Water Program, and to evaluate SMC compliance with the Water Program.

SECTION 5.0 WATER QUALITY REVIEW AND REPORT

5.0 Initial Review. As soon as the Database is operational, Councils shall review the Baseline Water Quality data used by SMC and the MDEQ in the most recent MPDES renewal process for the East Boulder MPDES Permit and Stillwater MPDES Permit.

SMC shall provide Councils with any other Information necessary to complete this review. The EBOC and SOC shall address any concerns raised by Councils during this review.

5.1 Five-Year Review and Report. A Third Party shall review and evaluate all the data collected or derived from the Water Program and the monitoring programs required by Federal or State Environmental Laws and Regulations for both the East Boulder and Stillwater Mines. The Third Party shall prepare a final Water Quality Report no later than 90 days before the Commencement of the Permitting Process for the next renewal of the East Boulder MPDES Permit (2003) and Stillwater MPDES Permit (2003). The EBOC and SOC shall review and approve the final Water Quality Report, and it shall be incorporated into this Agreement as Appendix M.

5.2 Objectives The objectives of the Third Party review and final Water Quality Report are to:

- (a) To review and evaluate all existing Baseline Water Quality data of the surface waters and ground waters that may be impacted by SMC Mining Operations at the East Boulder and Stillwater Mine.
- (b) To review and evaluate the assumptions upon which the East Boulder and Stillwater MPDES Permits are based.
- (c) To make recommendations for the next MPDES renewal process for both the East Boulder and Stillwater MPDES permits.

SECTION 6.0 EAST BOULDER AND STILLWATER MINE SUPPLEMENTAL MONITORING PROGRAMS FOR SURFACE WATER, GROUND WATER, AND BIOLOGICAL RESOURCES

6.0 General Requirements for the East Boulder Mine and Stillwater Mine Supplemental Monitoring Programs

6.0.1 SMC Obligation. SMC shall develop, implement, maintain, and fund a supplemental monitoring program for the East Boulder and Stillwater Mines. SMC shall design these supplemental monitoring programs to supplement the monitoring programs required by Federal and State Environmental Laws and Regulations to the maximum extent possible.

6.0.2 Components. These supplemental monitoring programs shall consist of a minimum of three coordinated components:

- i. Surface and ground water resources.
- ii. Biological resources.

iii. Effluent and Unaltered Ground Water.

6.0.3 Objectives. In addition to the Objectives, the objectives of the supplemental monitoring programs for the East Boulder and Stillwater Mines shall be to monitor and evaluate SMC compliance with:

- (a) The Trigger Framework and other Objectives of the Water Program ; and
- (b) The requirements, limitations, conditions, and stipulations of all Federal and State Environmental Laws and Regulations.

6.0.4 Written Permission. The Councils shall acquire written permission from landowners whose property is required for access to all instream monitoring site locations established in the supplemental monitoring programs.

6.0.5 Minimum Required Monitored-Parameters. SMC shall use the best available science and technology to monitor for the parameters referenced in Section 12.0 of this Appendix. SMC shall monitor for such parameters at all monitoring site locations designated in the East Boulder Supplemental Monitoring Program and the Stillwater Mine Supplemental Monitoring Program.

6.0.6 Coordination. To the maximum extent possible, SMC shall coordinate the collection and analysis of all physical, chemical, and biological monitoring data and ensure the simultaneous collection of data necessary for statistical comparisons.

6.0.7 QA/QC. The quality assurance/quality control (QA/QC) measures of the supplemental monitoring programs shall be consistent with generally accepted practices.

6.1 East Boulder Mine Supplemental Monitoring Program

6.1.1 Timeline. SMC shall implement the East Boulder Mine Supplemental Monitoring Program described in Appendix N as soon as possible but no later than 120 days from the Effective Date.

6.2 Stillwater Mine Supplemental Monitoring Program

6.2.1 Template. The SOC shall use the East Boulder Supplemental Monitoring Plan as a template for developing the Stillwater Mine Supplemental Monitoring Program and shall take into account the site-specific conditions of the Stillwater Mine and Stillwater River Watershed.

6.2.2 Timeline. SMC shall implement the Stillwater Mine Supplemental Monitoring Program as soon as possible but no later than one year from the Effective Date. Upon its approval by the SOC, the Stillwater Mine Supplemental Monitoring Program shall be incorporated into this Agreement as Appendix O.

6.2.3 Interim Deadlines. The Parties agree to the following interim deadlines:

- i. Within 270 days of the Effective Date, SPA and NPRC shall develop a draft supplemental monitoring program and submit it to SMC for review.
- ii. Within 300 days of the Effective Date, SMC shall submit written comments and/or recommendations on the draft program to SPA and NPRC for review.
- iii. Within 330 days of the Effective Date, the SOC shall review and approve the program.

SECTION 7.0 SUPPLEMENTAL HYDRO-GEOLOGIC AND GROUND WATER RESOURCES STUDIES

7.0 Objectives: The objectives of the Ground Water Studies shall include but are not limited to the following:

7.0.1 To complete additional baseline studies to adequately define and characterize the geologic, hydrologic, and ground water flow conditions at the East Boulder Mine and/or the Boe Ranch Property.

7.0.2 To adequately characterize variations in the hydrological conductivity of the various aquifers, to characterize the nature of any heterogeneities, and to identify potential high hydraulic conductivity zones at the East Boulder Mine and/or the Boe Ranch Property.

7.0.3 To adequately characterize and quantify the hydrological connection between the East Boulder River and various aquifers and to identify all potential alluvial aquifer discharge points into the East Boulder River at the East Boulder Mine and/or the Boe Ranch Property.

7.0.4 To develop a more complete hydro-geological conceptual model for the East Boulder Mine or alternatively the Boe Ranch Property based on the results of these studies.

7.0.5 To utilize real-time measurement in combination with hydro-geological modeling to optimize Effluent and Unaltered Ground Water discharges to meet the Objectives of the Water Program.

7.0.6 To develop and implement the Trigger Framework of Section 8.0 of Appendix L at the East Boulder Mine and/or the Boe Ranch Property.

7.1 Potential Components. The Third Party shall determine the necessary components of the Ground Water Studies. The components may include:

- (a) A Resistivity Imaging Geophysical Study.
- (b) Additional pumping tests for each ground water monitoring well and the placement of pressure transducers/data loggers in each monitoring well to monitor water levels over time. The purpose of these tests is to characterize the variations in hydraulic conductivity along the river and along the flow path of the proposed mixing zone.
- (c) Multiple-well aquifer tests at several sites along the river to characterize the hydraulic connection between the alluvial aquifers and the river.
- (d) A more complete hydro-geological conceptual model for the site based on the results of this geophysical study, water level monitoring, monitoring well pumping tests, and multiple-well aquifer tests.
- (e) Installation of real-time well, surface water and Effluent instrumentation to measure flow and concentration of Monitored-Parameters utilizing a computerized control and response system.

7.2 Conditions. The Parties shall select a Third Party to complete the Ground Water Studies if:

- (a) SMC is required to initiate response and remedial actions under Section 10.0 of Appendix because of a Tier 2 or Tier 3 Exceedence of Instream Trigger Levels; or
- (b) It is reasonably foreseeable that Indirect Discharges may result in a Tier 2 or Tier 3 Exceedence of Instream Trigger Levels; or
- (c) The Boe Ranch Property is proposed by SMC for other than operation as a Zero Discharge Facility.

7.3 Timeline. The Third Party shall initiate the Ground Water Studies as soon as possible but no later than 90 days, and complete the studies no later than 180 days, from any Tier 2 or Tier 3 Exceedence of Instream Trigger Levels, unless otherwise agreed upon by the EBOC,

7.4 Actions. Based upon the recommendations and conclusions of the final report and the models developed from the Ground Water Resources Studies, the EBOC shall:

- (a) Establish and/or modify the Trigger Levels for Indirect Discharges established by Section 9.3 of this Appendix;
- (b) Modify, if necessary, the Trigger Levels for Direct Discharges established by Section 9.2 of this Appendix; and

(c) Modify and expand, if necessary, the location and number of instream surface water monitoring sites and ground water monitoring wells to maximize the potential to detect potential contamination from the East Boulder Mine or alternatively the Boe Ranch Property.

7.5 Stillwater Mine. The SOC shall determine if supplemental Ground Water Studies are necessary to develop and implement the Tiered Trigger Level Framework or other Sections of the Water Program at the Stillwater Mine. The SOC shall make such determination within 150 days of the Effective Date.

SECTION 8.0 FISHERIES STUDY AND MONITORING PLAN

8.1 Baseline Fisheries Study. The EBOC shall select the Third Party to complete this study within 90 days of the Effective Date. The Third Party shall commence this study as soon as possible but no later than 180 days from the Effective Date. The EBOC shall approve the final design of the baseline fisheries study before the commencement of such study.

8.2 Objectives: The objectives of this study shall include but are not limited to the following:

(a) To attempt to identify critical spawning and juvenile rearing areas for rainbow and brown trout in the Boulder River Watershed, and to determine the significance of the East Boulder River and Boulder River as a spawning and juvenile rearing areas for migrant rainbow and brown trout in the Boulder and Yellowstone Rivers.

(b) To attempt to determine fish distribution, species composition, and population estimates for fish populations in the Boulder River Watershed.

(c) To attempt to determine the interrelationship of the East Boulder River, Boulder River, and Yellowstone River fisheries, and attempt to determine seasonal and spawning migration patterns.

(d) To collect baseline data that can be used to develop a long-term monitoring plan of fish populations in the East Boulder River, and to monitor potential impacts from SMC Mining Operations at the East Boulder Mine.

8.3 Annual Reports. The Third Party shall prepare an annual report and make an annual presentation at the first quarterly EBOC meeting of each calendar year. Such annual report and presentation shall summarize the results from the previous sampling seasons, compare those results with other applicable data, and identify potential trends and any issues of concern.

8.4 Coordination. The Study shall be coordinated with all historical and ongoing MDFWP studies of the Boulder River Watershed and shall be designed and implemented to ensure that the results are comparable with other baseline studies of the fisheries.

8.5 MDFWP. All survey methods shall be consistent with the recommendations of the Montana Department of Fish, Wildlife, and Parks and shall minimize potential adverse impacts on the fish populations.

8.6 Redd Surveys. The Study shall include twice-annual redd surveys: one in the spring of rainbow trout redds and one during the fall of brown trout redds. The purpose of the redd surveys is to identify all potential spawning habitat in the Boulder River Watershed. The initial survey reaches shall be based on baseline data collected by SMC consultants and the MDFWP. The Oversight Committee and selected Third Party shall take all necessary steps to ensure that the exact location of trout spawning redds is protected.

(a) Phase I of the redd surveys: The goal of this phase shall be to establish index reaches that can later be surveyed annually. The initial surveys will focus on identifying all potential spawning habitat and active spawning sites.

(b) Phase II of the redd surveys. The goal of this phase shall be to conduct twice-annual redd surveys that focus on collecting accurate redd counts and establishing peak spawning periods.

8.7 Fisheries Monitoring Plan. After the completion of the baseline fisheries study, the Third Party shall design and implement a long-term fisheries monitoring plan for the Boulder Watershed based on results and conclusions of the baseline fisheries study. The EBOC shall approve the final design of the fisheries monitoring plan. SMC shall fund the approved fisheries monitoring plan up to \$20,000 per year.

8.8 Stillwater Mine. The SOC shall decide if a baseline fisheries study or fisheries monitoring plan is necessary for the Stillwater River Watershed during the process required by Section 6.2 of this Appendix. Any such study or plan shall be incorporated into the Stillwater Mine Supplemental Monitoring Plan.

SECTION 9.0 TIERED TRIGGER LEVEL FRAMEWORK FOR THE EAST BOULDER AND STILLWATER MINES

9.0 Required Components. The Tiered Trigger Level Framework (the “Trigger Framework”) shall be comprised of the following types of Trigger Levels: Instream Surface Water Trigger Levels, Trigger Levels for Direct Discharges, and Trigger Levels for Indirect Discharges. Each type of Trigger Levels shall have three tiers.

9.1 Instream Surface Water Trigger Levels. SMC shall use the Instream Surface Water Trigger Levels described in Table A to establish the Trigger Framework for the

East Boulder and Stillwater Mines. The Parties may adjust these trigger levels to account for water hardness effects.

9.1.1 Modification for Stillwater Mine. The Parties acknowledge that these Instream Surface Water Trigger Levels may have to be modified for the Stillwater Mine to account for the impacts of historical mining on the water quality of the Stillwater River and its tributaries and to account for the site-specific conditions of the Stillwater Mine. The SOC shall be responsible for making any such modifications.

9.1.2 Compliance. Compliance with the Instream Surface Water Trigger Levels shall be measured at the monitoring sites designated in East Boulder and Stillwater Supplemental Monitoring Programs. The EBOC and SOC shall designate the instream monitoring sites where mean chlorophyll A levels must exceed Trigger Levels before SMC is considered to have moved into the applicable tier.

TABLE A. EAST BOULDER AND STILLWATER MINE IN-STREAM SURFACE WATER TRIGGER LEVELS.

Parameter	Tier 1 Trigger Level *	Tier 2 Trigger Level	Tier 3 Trigger Level
Metals and other Monitored-Parameters	An increase in the instream concentration above Baseline Water Quality.	An increase in the instream concentration to greater than or equal to 15% of the Lowest Applicable Water Quality Standard. **	An increase in the instream concentration to greater than or equal to the Lowest Applicable Water Quality Standard
Total Inorganic Nitrogen	An increase in the instream concentration above Baseline Water Quality.	An increase in the instream concentration to greater than or equal to 0.35 mg/L	
Total Phosphorus	An increase in the instream concentration above Baseline Water Quality.		An increase in the instream concentration to greater than or equal to 0.039 mg/L
Chlorophyll A	An increase in mean chlorophyll A levels to greater than or equal to 100 mg/square meter.***		
Direct Discharges, flows, and temperature			Any Direct Discharge or any discharge that causes a change in the instantaneous flow of greater than 15% or any discharge that causes a change (increase or decrease) in the instantaneous ambient water temperature of greater than 1 degree F.

* The relevant Oversight Committee shall decide whether an increase above Baseline Water Quality is discernible, measurable, or otherwise statistically significant using accepted statistical methods and procedures.

** Unless Baseline Water Quality for the parameter exceeds the Lowest Applicable Water Quality Standard. The relevant Oversight Committee shall establish the requisite Instream and Effluent Trigger Levels for any such cases.

*** Unless chlorophyll A levels at monitoring site locations upstream of Mining Operations exceed these levels.

9.2 Trigger Levels for Direct Discharges. Tier 1 Trigger Levels shall be based upon 15% degradation of Baseline Water Quality. Tier 2 Trigger Levels shall be based upon agreed upon trigger levels between Tier 1 and Tier 3 levels. The Tier 3 Trigger Levels shall be based upon the discharge limits contained within the approved MPDES until the site-specific standard for nutrients is developed pursuant with Section 1.0 of Appendix N. The Trigger Levels for in-stream concentrations resulting from Direct Discharges will be calculated at the end of the pipe without a mixing zone based upon the volume and concentration of effluent combined with the volume and concentration of surface water averaged over the sampling period.

9.2.1 East Boulder Mine. The Trigger Levels for Direct Discharges are established in Table B for the East Boulder Mine. SMC shall use these Trigger Levels to establish the Trigger Framework for the East Boulder Mine. SMC and the Councils will meet and make recommendations to the EBOC for modifying and finalizing Table B. In the event that SMC and the Councils fail to agree in their recommendations, Table B will remain as the established Trigger Levels for the East Boulder Mine.

9.2.2 Stillwater Mine. The SOC shall establish the Trigger Levels for Direct Discharges pursuant with Section 9.4 of this Appendix. These Trigger Levels shall be incorporated into this Agreement as Appendix P. SMC shall use these Trigger Levels to establish the Trigger Framework for the Stillwater Mine. SMC and the Councils agree to utilize the existing baseline data and extensive operational data in establishing trigger levels.

9.2.3 Compliance. SMC shall monitor compliance with the Trigger Levels For Direct Discharges in the discharge pipe immediately prior to all Direct Discharges.

TABLE B. TRIGGER LEVELS FOR DIRECT DISCHARGES FOR THE EAST BOULDER MINE

Parameter	Tier 1 Trigger Standards (mg/l)	Tier 2 Trigger Standards (mg/l)	Tier 3 Trigger Standards (mg/l)
Arsenic	0.0030	0.0040	0.0180
Cadmium	0.0001	0.0004	0.0011
Chromium (VI)	0.0050	0.0160	0.1000
Copper	0.0090	0.0100	0.0120
Iron	0.1000	0.1600	0.3000
Lead	0.0030	0.0030	0.0032
Manganese	0.0100	0.0500	0.0500
Nickel	0.0200	0.0200	0.1000
Zinc	0.0400	0.0500	0.1100
Total Nitrogen as N	0.2	0.35	
Total Phosphorous as P	0.021	0.021	0.021

Footnotes to Table B:

1. Tier 1 Trigger Standards are based on 15% non-degradation criteria except for Nitrogen (as indicated) and Phosphorous (0.001 mg/l increase).
2. Standards are not hardness adjusted (based on 100 mg/l hardness). Actual figures will be determined based on hardness of individual samples.

9.3 Trigger Levels for Indirect Discharges. Tier 1 Trigger Levels for Indirect Discharges shall be based upon 15% degradation of Baseline Water Quality. The Tier 1 Trigger Levels for in-stream concentrations resulting from Indirect Discharges will be calculated at the end of the pipe without a mixing zone based upon the volume and concentration of effluent combined with the volume and concentration of surface water averaged over the sampling period. Effluent being treated by LAD or other means to reduce nitrogen as part of an Indirect Discharge will be given credit for an additional 80% reduction for nitrogen provided SMC's monitoring confirms that level of reduction (or adjusted for the amount of reduction confirmed). A Tier 1 Exceedence would trigger Section 10.2 of Appendix L (Tier I Response and Remedial Actions). Tier 2 Trigger Levels shall be based upon agreed upon trigger levels between Tier 1 and Tier 3 levels. The Tier 3 Trigger Levels shall be based upon the discharge limits contained within the approved MPDES. The Trigger Levels for Tier 2 and Tier 3 will be based on actual in-stream concentrations.

9.3.1 East Boulder Mine. The Tier 1 Trigger Levels for Indirect Discharges are established in Table C for the East Boulder Mine. SMC shall use these Trigger Levels to establish the Trigger Framework for the East Boulder Mine. SMC and the Councils will meet and make recommendations to the EBOC for modifying and finalizing Table C. In the event SMC and the Councils fail to agree in their recommendations, Table C will remain as the established Trigger Levels for the East Boulder Mine.

TABLE C. TRIGGER LEVELS FOR INDIRECT DISCHARGES FOR THE EAST BOULDER MINE

Parameter	Tier 1 Trigger Standards (mg/l)	Tier 2 Trigger Standards (mg/l)	Tier 3 Trigger Standards (mg/l)
Arsenic	0.0030	0.0040	0.0180
Cadmium	0.0001	0.0004	0.0011
Chromium (VI)	0.0050	0.0160	0.1000
Copper	0.0090	0.0100	0.0120
Iron	0.1000	0.1600	0.3000
Lead	0.0030	0.0030	0.0032
Manganese	0.0100	0.0500	0.0500
Nickel	0.0200	0.0200	0.1000
Zinc	0.0400	0.0500	0.1100
Total Nitrogen as N	0.2	0.35	
Total Phosphorous as P	0.021	0.021	0.021

Footnotes to Table C:

1. Tier 1 Trigger Standards are for effluent.
2. Tier 2 and Tier 3 Trigger Standards are for In-Stream measured values.
3. Tier 1 Trigger Standards are based on 15% non-degradation criteria except for Nitrogen (as indicated) and Phosphorous (0.001 mg/l increase).
4. Standards are not hardness adjusted (based on 100 mg/l hardness). Actual figures will be determined based on hardness of individual samples.

9.3.2 Stillwater Mine. The SOC shall establish the Trigger Levels for Indirect Discharges pursuant with Section 9.4 of this Appendix. These Trigger Levels shall be incorporated into this Agreement as Appendix Q. SMC shall use these Trigger Levels to establish the Trigger Framework for the Stillwater Mine. SMC and the Councils agree to utilize the existing baseline data and extensive operational data in establishing trigger levels.

9.4 Program Development and Implementation Schedule

9.4.1 East Boulder Mine Program. SMC shall submit a draft program to implement the Trigger Framework for the East Boulder Mine to the EBOC within 90 days of the Effective Date. CRC and NPRC shall submit their written comments and suggestions on the draft program to SMC within 135 days of the Effective Date. The EBOC shall approve the final program for the East Boulder Mine and SMC shall implement the final program within 180 days of the Effective Date.

9.4.2 Stillwater Mine Trigger Levels. SPA and NPRC shall submit a written proposal for the Trigger Levels to SMC within 9 (nine) months of the Effective Date. SMC shall submit its written comments and suggestions on the proposal within 10 (ten) months of the Effective Date. The SOC shall approve the final Trigger Levels (Direct and Indirect) for the Stillwater Mine within 12 (twelve) months of the Effective Date.

9.4.3 Stillwater Mine Program. SMC shall submit a draft program to implement the Trigger Framework for the Stillwater Mine to the SOC within 60 days of the SOC approval of the final Trigger Levels. The Councils shall submit written comments on the draft program to SMC within 45 days of receiving the draft program. The SOC shall approve the final program for the Stillwater Mine and SMC shall implement the final program within 18 months of the Effective Date.

SECTION 10.0 RESPONSE AND REMEDIAL ACTIONS

10.0 Objectives. The objectives of the response and remedial actions for the East Boulder and Stillwater Mines are:

1. To implement the Objectives of the Water Program; and
2. To implement the Trigger Framework established by Section 9.0 of this Appendix.

10.1 Schedule. SMC shall develop and implement a corrective schedule for all Tier 1, Tier 2, or Tier 3 Exceedences. The relevant Oversight Committee shall approve the corrective schedule.

10.1.1 Objectives. The objectives of the corrective schedules are:

- (a) To return levels of the parameter to Baseline Water Quality;
- (b) To significantly reduce and/or eliminate the potential for a future Exceedences.

10.1.2 Timeline. SMC shall develop and implement the corrective schedules as soon as possible but no later than 60 days after a Tier 1 Exceedence, 30 days after a Tier 2 Exceedence, and 20 days after a Tier 3 Exceedence.

10.2 Tier I Response and Remedial Actions

10.2.1 Required Notice. SMC shall notify the relevant Oversight Committee of any Tier 1 Exceedence at the next Oversight Committee meeting.

10.2.2 Internal Remedial Investigation. Any Tier 1 Exceedence shall trigger an internal remedial investigation. SMC shall conduct the internal remedial investigation with Councils Participation. SMC shall complete the investigation within 15 days of the Oversight Committee meeting. At a minimum, the internal remedial investigation shall:

- (a) Identify all potential sources of the parameter.
- (b) Evaluate the probability of a Tier 2 Exceedence within the next 180 days.
- (c) Determine the need for additional monitoring and sampling.
- (d) Identify corrective measures and other means of restoring the parameter to Baseline Water Quality.

10.2.3 Status Report. SMC shall submit a draft report to the Councils within 30 days of the Oversight Committee meeting. The report shall summarize the results of the in remedial investigation and the status of any corrective measures taken. The Councils shall submit a written response, including any recommendations or additional corrective measures, within 20 days of receiving the draft report. The relevant Oversight Committee shall approve the final report, including any additional corrective measures to be taken by SMC.

10.2.4 Implementation. SMC shall implement all corrective measures approved

by the Oversight Committee unless the immediate corrective action implemented by SMC has restored the parameter to existing Baseline Water Quality.

10.2.5 Status. SMC shall report on the status of the parameter at relevant Oversight Committee meetings until levels of the parameter are restored to Baseline Water Quality.

10.3 Tier 2 Response and Remedial Actions

10.3.1 Required Notice. SMC shall provide Notice to the relevant Oversight Committee of any Tier 2 Exceedence as soon as possible but no later than 24 hours from the time SMC first became aware of the Exceedence.

10.3.2 Duplicate Samples. SMC shall immediately take sufficient duplicate samples to validate any Tier 2 Exceedence.

10.3.3 Emergency Meeting. Any Tier 2 Exceedence shall trigger an emergency meeting of the relevant Oversight Committee. Such meeting shall be held as soon as possible but no later than 72 hours from the time SMC first became aware of the Exceedence. The objectives of the emergency meeting shall include but are not limited to the following:

- (a) To determine the need for any emergency corrective measures.
- (b) To evaluate the significance of the Exceedence.
- (c) To determine the need for additional monitoring and sampling.
- (d) To establish a schedule for the Emergency Environmental Audit.

10.3.4 Emergency Audit. Any Tier 2 Exceedence shall trigger an Emergency Environmental Audit. The Third Party shall complete the Emergency Environmental Audit as soon as possible but no later than 15 days from the time SMC first became aware of the Exceedence. The Councils shall have the right to Participate in the audit.

10.3.5 Audit Objectives. The objectives of the audit shall include but are not limited to the following:

- (a) To identify all the potential sources of the parameter.
- (b) To evaluate the potential impacts on water quality and the aquatic ecosystem.
- (c) To evaluate the potential for a violation of an effluent standard or limitation.
- (d) To evaluate the probability of a Tier 3 Exceedence within the next 180 days.
- (e) To identify corrective measures and other means of restoring the parameter to Baseline Water Quality.

- (f) To make recommendations regarding means of eliminating and/or reducing levels of the parameter, including source reduction measures and the implementation of alternative treatment technologies and practices.
- (g) To address any other objectives determined to be relevant by the Oversight Committee.

10.3.6 Audit Report. The Third Party shall submit a draft audit report to the Parties within 15 days of the completion of the audit. The Parties shall submit a written comments or recommendations to the Third Party within 15 days of receiving the draft report. The Third Party shall submit its final audit report to the Parties within 45 days of the completion of the audit.

10.3.7 Implementation. The Oversight Committee shall approve the final audit report within 15 days of the release of the final report. SMC shall immediately implement the recommendations and corrective measures identified by the final audit report.

10.3.8 Status Report. SMC shall submit a written report to the relevant Oversight Committee every 45 days regarding the implementation of the recommendations and corrective measures until the levels of the parameter are restored to Baseline Water Quality.

10.4 Tier 3 Response and Remedial Actions

10.4.1 Required Notice. SMC shall notify the Councils of any Tier 3 Exceedence as soon as possible but no later than 24 hours from the time SMC first became aware of the Exceedence.

10.4.2 Duplicate Samples. SMC shall immediately take duplicate samples to validate any Tier 3 Exceedence.

10.4.3 Emergency Meeting. Any Tier 3 Exceedence shall trigger an emergency meeting of the relevant Oversight Committee. Such meeting shall be held as soon as possible but no later than 72 hours from the time SMC first became aware of the Exceedence. The objectives of the emergency meeting shall include but are not limited to the following:

- (a) To determine the need for any emergency corrective measures.
- (b) To evaluate the significance of the Exceedence.
- (c) To determine the need for additional monitoring and sampling.
- (d) To establish a schedule for the emergency environmental audit.

10.4.4 Emergency Audit. Any Tier 3 Exceedence shall trigger an Emergency Audit. The Third Party shall complete the Emergency Environmental Audit as

soon as possible but no later than 10 days from the time SMC first became aware of the Exceedence. The Councils shall have the right to participate in the audit.

10.4.5 Audit Objectives. The objectives of the audit shall include but is not limited to the following:

- (a) To identify all the potential sources of the parameter.
- (b) To evaluate the potential impacts on water quality and the aquatic ecosystem.
- (c) To evaluate the potential for a violation of an effluent standard or limitation.
- (d) To identify corrective measures and other means of restoring the parameter to Baseline Water Quality.
- (e) To make recommendations regarding means of eliminating and/or reducing levels of the parameter, including source reduction measures and the implementation of alternative treatment technologies and practices.
- (f) To address any other objectives determined to be relevant by the Oversight Committee.

10.4.6 Audit Report. The Third Party shall submit a draft audit report to the Parties within 10 days of the completion of the audit. The Parties shall submit written comments or recommendations to the firm within 10 days of receiving the draft report. The Third Party shall submit its final audit report to the Parties within 30 days of the completion of the audit.

10.4.7 Implementation. The Oversight Committee shall approve the final audit report within 10 days of the release of the final report. SMC shall immediately implement the recommendations and corrective measures identified by the final audit report.

10.4.8 Status Report. SMC shall submit a report to the relevant Oversight Committee every 30 days regarding the implementation of the recommendations and corrective measures until the levels of the parameter are restored to Baseline Water Quality.

SECTION 11.0 WATER MANAGEMENT PRIORITIZATION AND OPTIMIZATION PLAN FOR THE EAST BOULDER AND STILLWATER MINES

11.0 Objectives. The objectives of the Water Management Prioritization and Optimization Plans (the “Optimization Plans”) for the East Boulder and Stillwater Mines are:

1. To implement the Objectives of the Water Program; and
2. To implement the Trigger Framework established by Section 9.0 of this Appendix.

11.1 Implementation Plans

11.1.1 East Boulder Mine Plan. CRC and NPRC shall develop a draft Optimization Plan for the East Boulder Mine and submit it to SMC as soon as possible but no later than 180 days from the Effective Date. SMC shall review the draft Optimization Plan and submit written comments to the CRC and NPRC within 30 days of receiving the draft plan.

(a) Final Plan Approval. The EBOC shall review and approve the final Optimization Plan within 300 days from the Effective Date.

(b) Plan Implementation Deadline. SMC shall implement the final Optimization Plan for the East Boulder Mine as soon as possible but no later than 360 days from the Effective Date.

11.1.2 Stillwater Mine Plan. SPA and NPRC shall develop a draft Optimization Plan for the Stillwater Mine and submit it to SMC as soon as possible but no later than 90 days from the SOC approval of the final Effluent Trigger Levels under Section 9.4.2 of this Appendix. SMC shall review the draft Optimization Plan and submit written comments to the SPA and NPRC within 30 days of receiving the draft plan.

(a) Final Plan Approval. The SOC shall review and approve the final Optimization Plan within 150 days of SOC approval of the final Effluent Trigger Levels.

(b) Plan Implementation Deadline. SMC shall implement the final Optimization Plan for the Stillwater Mine as soon as possible but no later than 90 days from the SOC approval of the final Optimization Plan.

11.2 Tour of Facilities. To develop the Optimization Plans for the East Boulder and Stillwater Mines, Councils shall have the right to enter and inspect relevant mine facilities. Councils shall provide SMC with at least 72 hours Notice before conducting such inspections. The purpose of these inspections is to evaluate SMC Water Management Facilities. SMC shall make relevant personnel available to Councils.

SECTION 12.0 MINIMUM REQUIRED MONITORED-PARAMETERS

12.0 Site visit. The Councils shall conduct a site visit of the East Boulder and Stillwater Mines to determine the location of all supplemental monitoring sites.

12.1 Modification. The relevant Oversight Committees may modify the list of parameters for which SMC is required to sample if there is a material change in circumstances.

12.2 Monitored-Parameters for Effluent and Unaltered Ground Water. SMC shall monitor Effluent and Unaltered Groundwater immediately before and immediately after all Treatment Systems and immediately before any Direct or Indirect Discharge. SMC shall sample weekly for the parameters designated in Table 4-8 (Analytical Schedule for Monthly Adit Water Monitoring), SMC Water Resources Monitoring Plan for the East Boulder Project (1998-1999) at page 4-13.

12.3 Monitored-Parameters for Instream Surface Water Sites. SMC shall sample quarterly for the parameters designated in Table 4-4 (Surface Water Analytical Schedule for Second and Fourth Quarter Water Resources Monitoring Events), SMC Water Resources Monitoring Plan for the East Boulder Project (1998-1999) at page 4-6, at all Instream Surface Water monitoring sites required by the East Boulder Mine and Stillwater Mine Supplemental Monitoring Plans or required by Federal and State Environmental Laws and Regulations.

12.4 Monitored-Parameters for Ground Water Monitoring Wells. SMC shall sample quarterly for the parameters designated in Table 4-5 (Groundwater Analytical Schedule for Second and Fourth Quarter Water Resources Monitoring Events), SMC Water Resources Monitoring Plan for the East Boulder Project (1998-1999) at page 4-7, at all existing ground water monitoring wells, including WW-1, MW-1, MW-2, EBMW-3, EBMW-4, EBMW-5, EBMW-6, EBMW-7, EBMW-8, and EBMW-9, additional ground water monitoring wells required by Federal and State Environmental Laws and Regulations, and additional ground water monitoring wells established under this Agreement.

APPENDIX M. FINAL WATER QUALITY REPORT

(Reserved)

APPENDIX N. EAST BOULDER MINE SUPPLEMENTAL MONITORING PROGRAM

Supplemental instream surface water and biological resources monitoring plan.

1.0 Objectives. In addition to the objectives of Section 1.0 of Appendix L, this supplemental monitoring program is designed to determine the efficacy of developing a site- specific standard for total inorganic nitrogen and total phosphorus in the East Boulder River while taking into account natural variation. This program shall be continued as necessary to meet these objectives.

1.1 Required sampling. SMC shall conduct biological (periphyton, chlorophyll A and macroinvertebrate) sampling and water chemistry sampling at each monitoring site location designated in Section 1.2 of this Appendix, subject to the exceptions set forth in Section 1.2.

1.2 Description of Locations. Within 60 days of the Effective Date, each monitoring site location established by this program shall be described at least by the following: a permanent marker; photographs, including upstream and downstream views from the site; its location mapped on a standard topographic map; and its location coordinates established using a global positioning system.

1.3 Monitoring Site Locations. This supplemental monitoring program shall include the following monitoring site locations on the East Boulder River (listed from its confluence with the Boulder River upstream) and relevant sections of the Boulder River. The EBOC has the authority to change the precise location of such monitoring sites based on site-specific conditions.

BR-1. The Boulder River immediately downstream of its confluence with the East Boulder River (EBR) and upstream of its confluence with the West Boulder River (WBR).
BR-2. The Boulder River immediately upstream of its confluence with the EBR.
EBR-1. The EBR immediately upstream of its confluence with the Boulder River.
EBR-2. The EBR between EBR-1 and the Elk Creek confluence. The precise location to be determined by the Oversight Committee.
EBR-3. The EBR immediately upstream of the Elk Creek confluence.
EBR-4. The EBR between the last bridge on SG-31 and the GNF boundary.
EBR-5. The EBR at the GNF East Boulder Campground.
EBR-6. The EBR immediately downstream of the estimated ground water recharge zone. The precise location to be determined by the Oversight Committee after the Ground Water Study.
EBR-7. The EBR immediately upstream of the estimated ground water recharge zone. The precise location to be determined by the Oversight Committee after the Ground Water Study.
EBR-8. The EBR immediately upstream of its confluence with Lewis Gulch and approximately 4000 feet below Outfall 001/002 of the East Boulder MPDES permit (MPDES compliance monitoring site EBR-004). The parties agree that this site shall be replaced by EBR-6 and EBR-7

EBR-9. The EBR two river widths downstream of Outfall 001/002 of the East Boulder MPDES permit. The parties agree to collect two complete years of baseline data and after such time, monitoring would only be required in the event of a direct discharge to the East Boulder River.
EBR-10. The EBR immediately upstream of Outfall 001/002 of the East Boulder MPDES permit (MPDES compliance monitoring site EBR-003)
EBR-11. The EBR immediately downstream of the Dry Fork confluence.
EBR-12. The EBR upstream of the Dry Fork confluence and upstream of all mine activities that could potentially impact the surface and ground water resources.
Elk Creek. Elk Creek immediately upstream of its confluence with the EBR. Water chemistry sampling only.
Dry Fork. Dry Fork immediately upstream of its confluence with the EBR. Water chemistry sampling only
Frog Pond Adit Discharges. SMC shall agree to monitor the discharges from the Frog Pond exploration adit twice annually, if possible, until conditions return to baseline. The EBOC shall determine the Baseline Water Quality.

Periphyton/Chlorophyll A Sampling

1.4 **Periphyton and Chlorophyll A Sampling.** Periphyton and chlorophyll A sampling shall be conducted twice annually during the low flow/peak algae growth season (August- September). The EBOC shall determine the precise dates for such sampling.

1.5 **Random Sampling.** Periphyton and chlorophyll A sampling shall incorporate stratified random sampling and shall be consistent with the methods described in Monitoring Algae Levels in the Clark Fork River (1996), Watson, V. and B. Gestring, Intermountain Journal of Sciences, Volume 2, No. 2. Pages 17-26.

1.6 **Periphyton Sampling.** Three (3) replicate periphyton samples shall be collected and analyzed at each monitoring site location. Substrates for periphyton sampling shall be selected in a random manner to the degree practical. Each replicate shall be a composite of several quantitative collections from natural substrates to minimize variation from microhabitat differences.

1.7 **Sample Criteria.** periphyton samples shall be analyzed and quantified for soft algae composition and diatom community composition using a Palmer Cell and conduct a diatom proportional count on a sub-sample of each of the three replicate periphyton samples.

1.8 **Chlorophyll A Sampling.** A minimum of fifteen (15) replicate chlorophyll A samples shall be collected at each sample location and 10 of the replicate samples shall be analyzed. If the coefficient variation is within acceptable limits, no additional analysis of replicates shall be required. If the coefficient variation is outside acceptable limits, additional analysis of replicate samples shall be required. SMC may request that the

EBOC modify the requirement to collect 15 replicate samples based on the site-specific conditions at a particular site.

1.9 Data Review. The EBOC shall review the periphyton and chlorophyll A data to evaluate the need for replicate sample analysis after the collection of 36 months of data.

Macroinvertebrate Sampling

1.10 Macroinvertebrate Sampling. Macroinvertebrate monitoring shall be conducted twice annually: before spring runoff and during the summer low flow event. The Oversight Committee shall determine the precise dates for such sampling.

1.11 Sample Areas. Benthic macroinvertebrate samples shall be collected from riffle and run areas characteristic of the East Boulder River.

Chemical and Physical Sampling

1.12 Water Chemistry Sampling. Water chemistry sampling shall be conducted at all monitoring site locations designated in Section 1.3 of this Appendix.

1.13 Monitored parameters. Water chemistry sampling must conform with the minimum required monitored parameters in Section 12.0 of Appendix L.

1.14 Sampling frequency. Water chemistry sampling shall be conducted quarterly (April, June, August, and November) unless there is a Direct Discharge into the East Boulder River (under these conditions the monitoring frequency shall increased based on the recommendations of the EBOC).

Supplemental Deposited Sediment Monitoring Plan.

1.15 Objectives. The objectives of Deposited Sediment Monitoring Plan shall include but are not limited to the following:

- (a) To ensure that SMC's best management practices are being implemented effectively to control sediment loading to the East Boulder River watershed and to determine whether additional measures are necessary to control sediment loading.
- (b) To monitor additional sediment loading to the Boulder River watershed caused by activities related to the East Boulder Mine project and to measure these increases against predictions made in the FEIS.
- (c) To measure the impact of such sediment loading on the biological integrity of the watershed including the cumulative impacts associated with other activities and development in the watershed.

1.16 Requirements. SMC shall develop and implement a deposited sediment monitoring plan immediately on the Effective Date that is consistent with the terms of this Section.

1.17 Effect. The deposited sediment monitoring plan shall remain in effect during the construction phase and until levels return to baseline conditions as determined by the EBOC.

1.18 McNeil Core Sampler. Sampling shall be done with a McNeil Core Sampler at all locations. If the EBOC determines that core sampling is impossible because of the nature of the substrate at a sampling site, alternative sampling techniques shall be used to monitor deposited sediment at those sites. SMC shall use either the Wolman pebble count method, grid toss method, or other method that is approved by the EBOC. At sample sites where the EBOC determines that core sampling is possible, SMC must use both core sampling and the alternative sampling method chosen for the other sites.

1.19 Sampling Area. Deposited sediment sampling must concentrate in riffle areas and areas determined by the EBOC to be potential valuable spawning and/or microinvertebrate habitat.

1.20 Annual Sampling. Deposited sediment sampling must be conducted annually at all monitoring site locations designated in this Section 1.22 of this Appendix at the same time of year.

1.21 Incorporation of Data. Data from the deposited sediment sampling must be incorporated into the annual report required by Section 3.2 of Appendix L and must be compared with suspended (TSS) and bed- load measurements collected as part of the water chemistry sampling to compare predicted sedimentation rates with actual sedimentation rates.

1.22 Monitoring Site Locations. Deposited sediment sampling shall be conducted at the following sites:

1.22.1 Potential disturbances. Immediately above and below any potential disturbance that may affect instream fine sediment to a detectable degree, as determined by the EBOC. SMC shall provide the EBOC with a written schedule of all activities that may cause such a disturbance during the next calendar quarter at each regularly scheduled Committee meeting.

1.22.2 Road crossings. Immediately above and below all road crossings and construction activities along Forest Service Road 201 and Sweet Grass County Road 31.

1.22.3 Spawning Sites. All potential spawning sites identified by Montana Department of Fish, Wildlife, and Park studies, SMC baseline studies, and all sites identified by the supplemental fisheries baseline study and monitoring plan

required by this Agreement. Such sites are limited to those on the East Boulder River or sites located on the Main Boulder River immediately above or below the confluence with the East Boulder River.

1.22.4 Permanent Sampling Sites. The following permanent sites:

<u>Site #</u>	<u>Location/Description</u>
BR-1	Boulder River immediately below EBR confluence.
BR-2	Boulder River immediately above EBR confluence.
EBR-1	EBR immediately above confluence with Boulder. Wiedenheft (1982) and Weston (1989) site B3.
EBR-2	EBR immediately downstream of Elk Creek confluence.
EBR-3	EBR adjacent to USFS Campground. Wiedenheft (1982) and Weston (1989) site B5.
EBR-4	EBR immediately downstream of Dry Fork confluence. Wiedenheft (1982) and Weston (1989) site B6.

Miscellaneous Requirements

1.23 Water Flow Monitoring. SMC shall conduct instream water flow monitoring concurrent with water chemistry and biological monitoring at all locations designated in this Agreement.

1.24 Water Flow Data. SMC shall collect continuous water flow data at EBR 5.2 and include such results in the quarterly and annual reports required by Section 3.2 of Appendix L.

**APPENDIX O. STILLWATER MINE SUPPLEMENTAL
MONITORING PROGRAM**

(Reserved)

**APPENDIX P. TRIGGER LEVELS FOR DIRECT DISCHARGES
FOR THE STILLWATER MINE**

(Reserved)

**APPENDIX Q. TRIGGER LEVELS FOR INDIRECT DISCHARGES
FOR THE STILLWATER MINE**

(Reserved)

APPENDIX R. HERTZLER RANCH PROPERTY AND PIPELINE MITIGATION PLAN

Road and Pipeline Construction.

1.0 Description of Activities. As part of the expansion of its operations at the Stillwater Mine, SMC will be constructing a 7.8 mile long Pipeline corridor along Stillwater County roads 419 and 420 between the existing operations and the Hertzler Ranch Property. SMC will also be upgrading these roads to allow for the installation of the system of buried Pipelines within the road right-of-way. These Pipelines will transport tailings slurry, adit water, tailings water, mill process water, and other wastewater from the existing operations to the Hertzler Ranch Property. A more detailed description of these activities can be found in the following sections of the Final EIS, Stillwater Mine Revised Waste Management Plan and Hertzler Tailings Impoundment, October 1998: executive summary of preferred alternative at page S-26 to S-27; section 2.4.2 (description of proposed action alternative B) at page 2-18 to 2-38.

1.1 Review. SMC shall include a SPA/NPRC representative in all phases of the road and pipeline design and construction. SMC shall ensure that such representative has the opportunity to review all aspects of the engineering and construction plan, meet with relevant personnel, and have a minimum of 10 days to report back to SPA/NPRC so that SPA/NPRC can provide recommendations and comments before any final decisions are made.

1.2 Water Access Valves. SMC shall install three water access valves on the Pipeline near Cathedral Mountain Ranch, the Nye fire hall, and the Nye solid waste disposal site.

1.3 Emergency Audit. Any Release from Pipeline automatically triggers an emergency audit of the entire pipeline and all support facilities.

1.4 Historic Sites. SMC shall design, fund, and conduct a complete assessment of all cultural and historic sites consistent with the requirements of the National Historic Preservation Act (NHPA), Title 16 United States Code Annotated, Section 470; 36 Code of Federal Regulations, Part 80; MCA 22-3-101-1004; and all implementing administrative rules. SMC shall complete this assessment and develop and implement any required mitigation measures before the commencement of construction of the Pipeline.

Hertzler Ranch Mitigation Plan

2.0 Interim Reclamation Plan. SMC shall develop and implement an interim reclamation plan for the Hertzler Ranch Property within 90 days of the release of the final report required by Section 13.4 and Appendix J of this Agreement. Such plan shall be

consistent with the objectives of Section 1.6 of Appendix J. and any recommendations and conclusions of the final report required by Section 13.4.

2.1 Site Plan. SMC shall provide SPA/NPRC with a site plan identifying all structures and support facilities at the Hertzler Ranch Property approved by the Stillwater Mine Operating Permit effective November 12, 1998. The site plan shall include the location and design specifications of all such structures and support facilities. The SOC shall review all SMC proposals to revise or modify this site plan if there is a material change in circumstances such as the development or implementation of new Technology and/or Practice with environmental or other benefits that justify additional uses of the property.

2.2 Schedule of Activities. SMC shall provide a report of all scheduled construction and other significant activities at the Hertzler Ranch Property at each quarterly SOC meeting. Such report shall describe the scheduled activities for the following quarter. SMC shall also provide a process for adjacent landowners and residents to notify SMC of any issues of concern.

2.3 Mitigation Plan. SMC shall use best efforts to mitigate the impacts associated with the construction and operation of the Tailings Impoundment and other facilities at the Hertzler Ranch Property on existing recreational, residential, and agricultural land uses on the adjacent properties.

2.3.1 Objectives. The objectives of this Mitigation Plan are:

- (a) To protect local residents and adjacent landowners from unreasonable noise, traffic, dust, and nighttime illumination;
- (b) To minimize the invasion of noxious weeds on the property;
- (c) To preserve the visual character of the sites to the maximum extent possible;
- (d) To preserve present wildlife use of the property to the maximum extent possible; and
- (e) To minimize adverse impacts on water and air quality.

2.3.2 Plan. SMC shall develop and the SOC shall approve a Mitigation Plan for the Hertzler Ranch Property. SMC shall develop this Mitigation Plan in consultation with NPRC/SPA and shall obtain input from adjacent landowners and residents. SMC shall implement this Mitigation Plan within 150 days of the Effective Date.

(a) Issues of Concern. SMC shall address the following issues of concern in the Mitigation Plan: noise pollution, air pollution, light pollution (nighttime illumination), visual impacts, and noxious weeds.

(b) Minimum Components. For each issue of concern, the Mitigation Plan shall:

1. Establish the baseline conditions.
2. Establish specific, measurable performance objectives that are acceptable to NPRC/SPA.
3. Establish trigger levels that indicate a performance objective is being violated.
4. Establish remedial actions that SMC must implement when a trigger level is exceeded that will return conditions to acceptable levels.
5. Establish a timeframe for SMC to return conditions to acceptable levels.

APPENDIX S. TWO-YEAR IMPLEMENTATION PLAN

(Reserved)