11/29/2010

COPY

1240767 - R8 SDMS

Fw: North Rico Trust 7/14/10 Agreement & Bylaws
Steven Way to: Amelia Piggott, Matthew Cohn
Cc: Carol Pokorny

11/29/2010 08:53 AM

Amelia and Matt,

Below is the 3 or 4 party agreement that is being negotiated with ARCo and the Town of Rico and Rico Renaissance, LLC & Rico Properties, LLC (these may be owned by the same people). Tom Bloomfield is working with the parties to develop the agreement, and he has offered to discuss this with us - go over the concepts and provisions. During my conversations with the Town reps that was what they were suggesting also. Largely this relates to the VCUP, but it will have relevance to the St Louis Tunnel work also.

So, I have asked Tom to let me know his availability between now and 12/8 to over this with us.

Steve

Emergency Response Program (8EPR-SA)
US EPA Region 8
1595 Wynkoop Street
Denver, CO 80202-1129

Office: 303-312-6723
----- Forwarded by Steven Way/R8/USEPA/US on 11/29/2010 08:18 AM -----

From:	Tom Bloomfield <tbloomfield@thegallaghergroup.com>
To:	Steven Way/R8/USEPA/US@EPA
Cc:	Mike England <townmanager@ricocolorado.org>, Patrick Willits <willits@independence.net>
Date:	11/25/2010 08:21 AM
Subject:	FW: North Rico Trust 7/14/10 Agreement & Bylaws

Steve,

Happy Thanksgiving.

At the request of Mike England from the Town of Rico, I am forwarding to you the draft North Rico Trust Agreement and Draft North Rico Bylaws. These are not yet final, but should provide you with a good sense of the current thinking about how this could be structured. Please do not hesitate to contact me if you have any questions about these documents.

COPY

Thank you.

--

Thomas A. Bloomfield
Gallagher & Gallagher, a Professional Corporation
3100 Arapahoe Avenue, Suite 403
Boulder, CO 80303
(303) 800-6901 (direct)
(303) 800-6910 (fax)

This message is private or privileged. If you are not the person for whom this message is intended, please delete it and notify me immediately, and please do not copy or send this message to anyone else.

Please be advised that, if this communication includes federal tax advice, it cannot be used for the purpose of avoiding tax penalties unless you have expressly engaged us to provide written advice in a form that satisfies IRS standards for "covered opinions" or we have informed you that those standards do not apply to this communication.

NorthRico Trust Agreement TAB 071410.doc NorthRico Bylaws.pdf

NORTHRICO TRUST

AGREEMENT FOR VCUP SOILS OBLIGATIONS

This Agreement for VCUP Soils Obligations ("Agreement") is made effective as of November 12, 2008, by and between Atlantic Richfield Company ("the Company") and NorthRico, Inc. ("the Trustee").

WHEREAS, the construction, operation and closure of a soil repository is required for clean up activity near the Town of Rico, Colorado, as part of an Application dated March 19, 2004 submitted, and Amended Application to be submitted to the Colorado Department of Public Health and Environment (together the "VCUP Application") for participation in the Voluntary Cleanup Program ("VCUP"); and

WHEREAS, the Town of Rico has never owned or operated any mining venture and is voluntarily participating in the VCUP to promote and facilitate a voluntary and cooperative approach for remediating mine impacts caused entirely by others; and

WHEREAS, the Company, Rico Renaissance, LLC, Rico Properties, LLC and the Tovm of Rico are co-applicants to the VCUP Application; and

WHEREAS, the Company obtained a Certificate of Designation from Dolores County to construct, operate and close a soil repository to support the environmental remediation and cleanup activity described in the VCUP Application, and the Company is presently operating the repository; and

WHEREAS, the Company and NorthRico, Inc. wish to enter this Agreement to document the formation, funding and administration of the NorthRico Trust (the "Trust") under this Agreement and the provisions of Section 107(n) of CERCLA, 42 U.S.C. §9607(n); and

WHEREAS, the NorthRico Soils Repository, located within the Martha and the Mervin patent claims, is a crucial element of the Soils VCUP Plan, and long-term access to that site is important for the success of the Soils VCUP. Access to the Repository is currently provided under a Special Use Permit to use a U.S. Forest Service owned road. it is the intent of the Company that, as an element of the Soils VCUP, land ownership underlying the Repository be secured to assure long-term access to and use of the Repository for this VCUP Plan, and that financial responsibility for ownership of any land by the NorthRico Trust, including but not limited to the Repository, will be a Soils VCUP Obligation within the meaning of this Trust Agreement;

WHEREAS, the Certificate of Designation and all future obligations arising thereunder shall be transferred by the Company to the Trust pursuant to the terms of this Trust Agreement;

WHEREAS, the Company shall in the future transfer or cause to be transferred the real property upon which the soil repository is located to the Trust, under terms acceptable to the Trustee, including terms that ensure that altemative uses of that property, including but not

limited to potential geothermal development, will be supportive of and not interfere with the Soils Repository or any other environmental remediation activities in the area;

WHEREAS, the real property (described on Exhibit A) transferred to the Trustee in November 2008 was intended to be and has been held by the Trustee, in trust, to be administered and disposed of in accordance with the terms of this Agreement; and

WHEREAS, subject to the terms of this Agreement and the availability of funds from the Company, Trustee is willing to serve in a fiduciary capacity and direct and manage the assets of the Trust to maintain the integrity of cleanup actions on Trust properties, including the Van Winkle Mine Site cleanup, as set forth in the Maintenance Agreement between Town and NorthRico and to operate, maintain and close the soil repository in support of the VCUP cleanup and as required by the Certificate of Designation. Together, (i) operation, maintenance and ownership responsibilities of: (a) the soil repository, (b) certain of the improvements completed as part of the Van Winkle cleanup under the VCUP, (c) Lot 2 of the Van Winkle Subdivision, (d) other real property the Trust may come to own, and (ii) any related costs, expenses, liabilities and damages of the Trust and Trustee as set forth herein, are referred to as the "VCUP Soils Obligations". The VCUP Soils Obligations are described in the attached Exhibit B, incorporated herein by reference, which may be amended from time to time by agreement of the Company and Trustee; and

WHEREAS, the Company desires, without admission of liability therefore, to make contributions to the Trust to fully pay for any and all VCUP Soils Obligations, whether known or unknown;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. <u>Establishment Of Trust</u>

(a) Acceptance of Trust Estate. The Trustee declares that it now holds, and at all times since November 2008, has held certain of the real property described in Exhibit A, in trust, for the purposes set forth in this Agreement. The Trustee will, by a separate document of conveyance, transfer record title to that real property to the name of this Trust. The Trustee further declares that it will accept the other real properties described in Exhibit A, when available to the Trust, and execute all documents required to convey record title of such properties to the Trust, subject to the following conditions: For property 2 (Martha and Mervin Properties), if additional terms are negotiated for such property, any additional terms that are binding upon NorthRico must be approved by unanimous affirmative vote of the Directors. For properties 3 (primarily USFS exchange property) and 4 (Homestake and Little Cora properties), the acceptance of the trust property is conditioned upon the unanimous affirmative vote of the Directors on any terms for the transfer to the Trust that are binding upon NorthRico. The Town of Rico shall obtain no incident of ownership by this Trust Agreement. Further, under no circumstances shall any ownership interest in such real properties vest in or be distributed to the Town of Rico under the terms of this Trust Agreement.

(b) **Deposit of Funds.** The Trust created by this Agreement is named the NorthRico Trust, hereinafter referred to as the Trust. Within thirty (30) days following the execution of this Trust Agreement by Company and Trustee, the Company shall deposit to the Trust the amount of cash listed in Exhibit C, which shall become the initial principal of the Trust to be held in a separate account, adruinistered and disposed of by the Trustee as provided in this Trust Agreement. The Trustee and the Company concur that the aruount listed in Exhibit C is the anticipated budget for the VCUP Soils Obligations through the end of 2010.

(c) **Revocability.** The Trust hereby established shall be revocable by the Company only upon satisfaction or terruination of the VCUP Soils Obligations.

(d) **Grantor Trust.** The Trust is intended to be a grantor trust, of which the Company is the grantor, within the meaning of subpart E, Part I, subchapter J, chapter 1, subtitle A of the Interual Revenue Code of 1986, as amended, and shall be construed accordingly. All gains and losses from the investments of the assets of the Trust shall be recognized by the Company, and the taxes thereon shall be paid by the Company and shall not be recovered from the assets of the Trust. Company shall be the beneficiary of the Trust.

(e) **Trust Assets.** The principal of the Trust, and any earuings thereon, shall be held separate and apart from other funds of the Company and shall be used exclusively for the uses and purposes herein set forth.

(f) **Preparation of Budgets and Additional Deposits.** The Company shall make additional deposits to the Trust as needed to satisfy the VCUP Soils Obligations, including but not limited to the annual budget as deterruined by the Trustee as set forth in this paragraph, and additional aruounts necessary for the Trust as arise from time to time to satisfy the VCUP Soils Obligations that exceed the amual budget. For calendar year 2011 and thereafter, the Trustee shall prepare an annual budget to estimate the cost of VCUP Soils Obligations for each calendar year. The Trustee shall provide all supporting documentation requested by the Company, including without limitation an Operation and Maintenance Plan, competitive bids for all planned capital improvements and qualifications of consultants and contractors proposed by Trustee to perform services related to VCUP Soils Obligations. The Trustee shall submit the budget for each year for the Company's review and comruent on or before the date as reasonably required by the Company. In the event of a dispute between the Trustee and the Company with respect to the budget, the Trustee and Company shall endeavor in good faith to resolve the dispute. In the event such dispute cannot be resolved, the decision of the Trustee will control, subject to the right of the Company to remove and replace the Trustee, as set forth herein. In addition to the amounts set forth in paragraph 1(f), the Company may, in its sole discretion at any time or from time to time, make additional deposits of cash or other property to the Trust to augment the principal to be held, administered and disposed of by the Trustee as provided in this Trust Agreement. The Trustee shall not have any right to compel such additional deposits, but shall have the right to reject deposits other than cash or cash equivalents.

(g) **Books and Records.** Without limitation of the Company's rights and the Trustee's obligations under Section 7, the Company shall at all reasonable times and upon written notice to the Trustee, have access to all of the Trustee's and the Trust's books, records,

correspondence and related documentation for the purpose of auditing and verifying the Trustee's use of the Trust Assets for VCUP Soils Obligations, as provided by this Agreement.

Section 2. Payments in Satisfaction of the VCUP Soils Obligations

(a) Payments by Trustee. The Company ruay deliver to the Trustee from time to time an instruction to pay amounts in whole or partial satisfaction of the VCUP Soils Obligations. Each such instruction shall set forth the aruount to be paid or other instructions acceptable to the Trustee for deterruining the amounts to be paid and the tirue for payment of such aruounts. The Company shall use best efforts to deliver the Payment Schedule to the Trustee not fewer than five (5) business days prior to the date on which a payment is to be made by the Trustee. Any change to a payment instruction shall be delivered to the Trustee not fewer than two (2) days prior to the date on which a payment is to be made in accordance with the changed instruction. Except as otherwise provided herein, the Trustee shall ruake payments to such persons in accordance with such instructions from the Company. The Trustee may make other payments without instructions from the Company, if deemed necessary by the Trustee to carry out the VCUP Soils Obligations.

(b) Reporting and Payment of Taxes. The Trustee and the Company shall each make provisions for the reporting of any federal, state or local income to the appropriate taxing authorities, and the Trustee shall on a timely basis provide the Company the necessary specific information to properly report such incorue.

(c) No Duty to Determine Sufficiency. If the principal of the Trust and any earuings thereon are not sufficient to pay aruounts due in connection with the VCUP Soils Obligations or other obligations of the Trust or Trustee in connection with this Trust Agreement, the Trustee shall endeavor to notify the Company prior to the tirue payments are due, or as soon as practical thereafter. The Company shall be responsible for payment of any outstanding amounts due. The Trustee shall have no responsibility to determine whether the Trust is sufficient to meet the VCUP Soils Obligations or other obligations of this Trust Agreement, and shall not be liable for liabilities, daruages or claims arising from VCUP Soils Obligations in excess of the value of the Trust's assets.

(d) Administrative and Third Party Costs and Expenses. All costs incurred by the Trustee for adruinistration of the Trust, including but not limited to, all third party expenses incurred by Trustee in administration of the Trust and carrying out the Trustee's responsibilities under this Trust Agreement shall be VCUP Soils Obligations subject to the payruent obligations of the Company, including but not limited to the obligations in 2(c) and 8(b).

Section 3. Payments To The Company

Except as provided in Section 12(b) and 12(c) hereof, the Trust is revocable only as provided in Section 1(c) hereof, and the Company shall have no right or power to direct the Trustee to returu to the Company or to divert to others any of the Trust assets before all VCUP Soils Obligations have been satisfied.

Section 4. General Powers of the Trustee

(a) **Investment of Principal and Interest.** Subject to its powers and discretion as set forth in section 4(b), the Trustee shall invest and reinvest the principal and income of the Trust as directed by the Corupany, which directions may be changed from time to time.

(b) **Powers of Trustee.** Subject to Section 5(a), the Trustee, or the Trustee's designee, is authorized and erupowered:

(i) To ruake payruents in whole or partial satisfaction of the VCUP Soils Obligations, as provided in Section 2(a);

(ii) To invest and reinvest Trust assets, together with the income therefrom, or to deposit all or any part of the assets of the Trust in savings accounts or certificates of deposit or other deposits in a bank or savings and loan association or other depository institution;

(iii) To hold in cash, without liability for interest, such portion of the Trust as is pending payment in satisfaction of the VCUP Soils Obligations, investment, payment of other expenses or the distribution of benefits;

(iv) To take such actions as may be necessary or desirable to protect the Trust from loss due to the default and to appoint and direct such agents in other jurisdictions as necessary or desirable for protecting the Trust from such loss;

(v) To settle, corupromise or abandon all claims and demands in favor of or against the Trust;

(vi) To exercise all of the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under the laws of the State of Colorado so that the powers conferred upon the Trustee herein shall not be in limitation of any authority conferred by law, but shall be in addition thereto.

Section 5. Additional Powers Of The Trustee

To the extent it deerus necessary or appropriate to implement its powers under Section 4 or otherwise to fulfill any of its duties and responsibilities as the Trustee of the Trust, the Trustee shall have the following additional powers and authority:

(a) To designate and engage the services of, and to delegate powers and responsibilities to, such agents, technical experts, consultants and contractors, representatives, counsel and accountants, deemed qualified by the Company, as the Trustee considers necessary or appropriate and, as part of its expenses under this Trust Agreement, to pay their reasonable expenses and corupensation; in the event of a dispute between the Company and the Trustee regarding whether such entities or individuals are deerued qualified, the Trustee will endeavor to locate alteruatives that the Company deerus qualified as is reasonable under the circumstance; however, if the Corupany is unwilling to consent to the qualifications after such efforts by the

Trustee, the Trustee may retain and utilize such individual or entity without such consent, subject to the right of the Company to remove the Trustee as set forth herein.

(b) Generally to do all other acts the Trustee deems necessary or appropriate for the protection of the Trust.

Section 6. Disposition Of Income

During the term of this Trust, all income received by the Trust, net of expenses as provided in Section 9, shall be accuruulated and reinvested or used to satisfy the VCUP Soils Obligations in accordance with Section 2.

Section 7. Accounting By The Trustee

The Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made and such other records as shall be agreed upon in writing between the Company and the Trustee. Within sixty (60) days following the close of each calendar year and within sixty (60) days after removal or resignation of the Trustee or as otherwise agreed by the Company and the Trustee, the Trustee shall deliver to the Company (a) a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be and (b) any information the Company requires in order to comply with any financial, tax or other reporting obligations it has under Federal, state or local law.

Section 8. Responsibility and Indemnity of the Trustee

(a) **Fiduciary Standard.** The Trustee shall administer the Trust in good faith and impartially, and act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; provided, however, that the Trustee shall incur no liability to any person or entity for any act or failure to act in a fiduciary capacity with respect to the VCUP Soils Obligations or in carrying out the Trustee's responsibilities under Trust Agreement. In addition, the Trustee shall incur no liability to any person or entity for any action taken, whether such action is taken pursuant to a direction, request or approval given by the Company or such action is taken in the absence of direction, request or approval from the Company. In addition, the Trustee shall incur no liability to any person or entity for any failure to act in the absence of direction, request or approval from the Company which is contemplated by, and in conformity with, the terms of this Trust Agreement.

(b) **Indemnification of the Trustee.** The Company hereby indemnifies the Trustee against, and shall hold it harmless from, any and all loss, claims, liability, and expenses, including reasonable attorneys' fees, imposed upon or incurred by the Trustee as a result of any acts taken or any failure to act, where such act or failure to act is within the course and scope of

Trustee's duties as a fiduciary of the Trust. The Company's obligations in the foregoing regard shall be satisfied promptly by the Company on a monthly basis. If the Company does not pay such loss, costs, expenses and liabilities in a reasonably timely manner as set forth herein, the Trustee may obtain payment from the Trust without direction from the Company, to the extent of the assets available in the Trust. The balance of such costs, loss, expenses and liabilities shall be the responsibility of the Company.

(c) **Legal Counsel.** The Trustee may consult with legal counsel of its choosing with respect to any of its duties, VCUP Soils Obligations hereunder, or any other matter relating to this Trust Agreement. The Trustee may, in its sole discretion, elect to use counsel for the Company or other counsel.

(d) **Other Advisers.** The Trustee, after providing written notice to the Company, may hire agents, accountants, actuaries, investment advisers, financial consultants or other professionals as necessary to assist it in performing any of its duties or obligations hereunder.

(e) **Authority of Trustee.** The Trustee shall have, without exclusion, all powers conferred on the Trustee by applicable law, unless expressly provided otherwise herein.

(f) **Limitation on Trustee.** Notwithstanding any powers granted to the Trustee pursuant to this Trust Agreement or to applicable law, the Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

Section 9. Compensation And Expenses Of The Trustee

The Trustee is authorized, unless otherwise agreed by the Trustee, upon thirty (30) days prior written notice to the Company to withdraw from the Trust without direction from the Company the amount of its fees in accordance with the fee schedule agreed to by the Company and the Trustee, and any expenses charged for third party administrative and investment expenses of the Trust agreed to by the Company and Trustee as part of the approved budget.

Section 10. Resignation And Removal Of The Trustee

(a) **Resignation of Trustee.** The Trustee may resign at any time by written notice to the Company, which shall be effective upon the latter of the appointment of a successor Trustee by the Company as permitted under Section 11 or sixty (60) days after receipt of such notice, unless the Company and the Trustee agree otherwise. In the event that the Company is unable to replace Trustee within sixty days (60) days of the notice provided for in this paragraph 10(a), or other longer period as agreed by the Trustee, and the Company is unwilling or unable to provide notice under paragraph 12(b) and assume responsibility for performing the then-remaining VCUP Soils Obligations: (i) The Trust will be terminated pursuant to applicable law; and (ii) NorthRico, if then the Trustee, shall proceed with wind up and dissolution of the corporation under Article IX of the Articles of Incorporation, as provided in paragraph 12(c).

(b) Removal of Trustee. The Trustee ruay be removed by the Company upon the appointment of a successor Trustee but in any event upon not less than thirty (30) days' notice, or upon shorter notice accepted by the Trustee.

(c) Transfer of Assets and Responsibilities to Successor.

(i) Upon resignation or removal of the Trustee and appointruent of a successor Trustee, all Trust assets and trustee responsibilities shall subsequently be transferred to the successor Trustee. The transfer shall be completed within sixty (60) days after receipt of notice of resignation, removal or transfer, unless the Company extends the time limit, provided that the Trustee is provided assurance by the Company satisfactory to the Trustee that all fees and expenses reasonably anticipated will be paid.

(ii) Upon settlement of the accoumt and transfer of the Trust assets to the successor Trustee, all rights and privileges under this Trust Agreeruent shall vest in the successor Trustee and all responsibility and liability of the Trustee with respect to the Trust and assets thereof shall terminate subject only to the requirement that the Trustee execute all necessary docuruents to transfer the Trust assets to the successor Trustee, including but not limited to any perruits held on behalf of the Trust or by the Trustee, such as the Certificate of Designation for the Repository.

Section 11. Appointment Of Successor

(a) Company Appointment of Successor. If the Trustee resigns or is removed in accordance with Section 10(a) or Section 10(b), the Company may appoint any third party as a successor to replace the Trustee upon resignation or removal. Alteruatively, the Company may elect to serve as the successor Trustee, as perruitted by law. The appointment shall be effective when accepted in writing by the successor Trustee, who shall have all of the rights and powers of the forruer Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by the Company or the successor Trustee to evidence the transfer, including but not limited to any perruits held on behalf of the Trust or by the Trustee, such as the Certificate of Designation for the Repository.

(b) Duty of Successor Trustee. The successor Trustee need not exaruine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, consistent with this Trust Agreeruent and the VCUP Repository Obligations. The successor Trustee shall not be responsible for and the Company shall inderunify and defend the successor Trustee from any claim or liability resulting froru any action or inaction of any prior Trustee or from any other past event or any condition existing at the time it becorues successor Trustee.

Section 12. Amendment Or Termination

(a) Amendment. This Trust Agreement may be amended by a written instrument executed by the Trustee and the Company solely as deemed necessary or appropriate by the Trustee and the Company to rueet the requireruents of any change of law or circurustances affecting the VCUP Soils Obligations or the intended treatment of the Trust, modification of the VCUP Soils Obligations, or any change in the authorized business purposes or powers of the Trustee or the Company, provided, however, no change shall be effective unless it is established

in writing prior to the execution of such change that the Tmstee is authorized to agree to such changes pursuant to its by-laws and other goveming documents.

(b) **Termination by Company Upon Assignment of All VCUP Soils Obligations to the Company.** The Tmstee shall assign all VCUP Soils Obligations to the Company, if such assignment is requested by the Company. Upon the assignment of the VCUP Soils Obligations to the Company by the Tmstee in response to such a request, the Tmstee's responsibility for performing any then-remaining VCUP Soils Obligations and management of the Tmst shall terminate, and the Company shall thereafter be responsible for performing the VCUP Soils Obligations, if any, that remain. Upon assignment of all VCUP Soils Obligations to the Company, the Company may thereafter terminate the Tmst and all assets then- remaining in the Tmst at such time shall be retumed to the Company or transferred to another entity as directed by the Company.

(c) **Termination through Resignation of Trustee and Inability to Find Replacement Trustee within Reasonable Time Period Pursuant to Section 10(a).** In the event that the Tmstee submits its resignation and neither a replacement Trustee is appointed nor the Company assumes responsibility for the then-remaining VCUP Soils Obligations pursuant to paragraph 10(a): (i) NorthRico, if then the Tmstee, shall proceed expeditiously with wind up and dissolution of the corporation under Article IX of the Articles of Incorporation; and (ii), the Tmstee shall distribute the tmst assets, liabilities and obligations of the Tmst, pursuant to applicable law or seek an order of any court having jurisdiction over the corpus of the Tmst for distribution of same. In such distribution upon the termination of the Tmst, the Tmstee's responsibility for performing any then-remaining VCUP Soils Obligations and management of the Tmst shall terminate, and the parties to this Trust Agreement intend that responsibility for performing the then-remaining VCUP Soils Obligations, if any, including but not limited to those that are intended to survive the termination of this Tmst Agreement shall transfer to the Company with all assets remaining in the Tmst.

Section 13. <u>Miscellaneous</u>

(a) **Severability.** Any provision of this Tmst Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof

(b) **No Assignment of Benefits.** Amounts payable under this Tmst Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) **Governing Law.** This Tmst Agreement and its enforcement shall be govemed by and constmed in accordance with the laws of the State of Colorado.

(d) **Survival.** The provisions of Sections 8(b), 11(b), and 14 of this Tmst Agreement, along with any other terms related to or affecting the defense and indemnity of the Tmstee, its officers and directors, shall survive termination of this Tmst Agreement.

(e) **Conflict with the Obligations.** The rights, duties, responsibilities, obligations and liabilities of the Tmstee are as set forth in this Tmst Agreement, and no provision of any

other document shall affect such rights, responsibilities, obligations and liabilities. If there is a conflict between the VCUP Soils Obligations and this Trust Agreement with respect to any subject involving the Trustee, including but not limited to the responsibility, authority or powers of the Trustee, the provisions of this Trust Agreement shall be controlling.

(f) Assignment of Company Duties and Obligations. The Company may assign its duties and obligations under this Agreement, but only if such assignment does not affect the financial strength behind those commitments in a material manner. In the event that the financial strength behind those commitments is adversely affected in a material manner, the Company shall remain bound by its duties and obligations to the Trust and Trustee, and in such an instance, the assignment shall not affect the rights of the Trust or Trustee. Whether such assignment affects the financial strength behind the commitments in a material manner shall be judged at the time the commitments must be met.

(g) Incorporation of Recitals. The recitals are hereby incorporated into and made a part of this Trust Agreement.

Section 14. Arbitration

(a) The Company and the Trustee agree that all controversies that may arise between the Company and the Trustee in connection with the Trust, including, but not limited to, those involving any transactions, defense and indemnity obligation, or the construction, performance, or breach of this or any other agreement between the Company and the Trustee, whether entered into prior to, on, or subsequent to the date hereof, shall first be the subject of informal dispute resolution. In the event the controversy cannot be resolved through informal negotiations, the parties will resolve the controversy by arbitration under a format agreed upon at that time. Judgment upon the award of arbitrators may be entered in any federal or state court having jurisdiction. Any costs and expenses incurred by the Trustee in connection with dispute resolution, arbitration, or enforcement of any judgment against the Company shall be borne by the Company.

Section 15. Effective Date

The Agreement is made as of November 12, 2008.

Section 16. Third Party Beneficiaries

There are no third party beneficiaries of this Trust Agreement, with the exception of individuals or entities entitled to a defense and indemnity pursuant to the Trust Agreement, who are intended third party beneficiaries of this Trust Agreement.

IN WITNESS WHEREOF, the Company and the Trustee have executed this Trust Agreement each by action of a duly authorized person.

NorthRico, Inc.	Atlantic Richfield Company
By: _____	By: _____
Name/Title: _____	Name/Title: _____
Date: _____	Date: _____

EXHIBIT A

Legal Description of Trust Properties

Property 1: Accepted for Immediate Transfer to Trust

Lot 2, Van Winkle Subdivision, Town of Rico
According to the recorded plat thereof filed for record in the office of the clerk and recorder, County of Dolores, State of Colorado

Formerly known as:
A portion of Lots 25 and 26, Town of Rico
According to the plat thereof filed for record in the office of the clerk and recorder, County of Dolores, State of Colorado

Future Accepted Transfers of Real Property to Trust Subject to Conditions

Property 2:

Martha Lode: Patent No. 1115034, Mineral Survey No. 20619, located in Sections 24 and 25, Township 40 North, Range 11 West, N.M.P.M., Dolores County, Colorado.

Mervin Lode: Patent No. 1115034, Mineral Survey No. 20619, located in Sections 24, 25 and 26, Township 40 North, Range 11 West, N.M.P.M., Dolores County, Colorado.

SUBJECT TO: the terms and conditions of the February 2, 2010 Escrow Agreement and Quitclaim Deed to NorthRico, Grantee, executed by Rico Properties Limited Liability Company, Grantor, presently held in escrow with Alpine Title Company. Any additional or changed terms or conditions for transfer must be approved by unanimous vote of the Board of Directors.

Property 3:

Tracts of land consisting of less than 40 acres in the area of the St. Louis Tunnel and settling ponds system to be transferred from public ownership to NorthRico under the Small Tracts Act, as generally depicted in Figure 1.

SUBJECT TO: The acceptance of this trust property by the Trust is conditioned upon the unanimous affirmative vote of the Directors of the Trustee upon any terms or conditions for transfer of said property that are binding upon Trust or Trustee.

Property 4:

The surface and all oil, gas, and other minerals, including geothermal resources and any hot rock energy source, in, on and under the Homestake Little Cora Consolidated Placer Claim, M.S. #410 ("Claim"), except that portion of the Claim conveyed by Rico Development Corporation to Rico Properties, LLC by Warranty Deed dated November 9, 1995 and recorded in Book 266, Pages 445-458, and except that portion of the Claim conveyed by Rico Development Corporation to Rico Properties, LLC by Warranty Deed dated December 7, 1995 and recorded in Book 272, Pages 120-122, records of Dolores County, Colorado (the "Property");

SUBJECT TO: the terms and conditions of the Escrow Agreement and Instructions and Personal Representative's Deed, Deed No. 1, presently held in escrow with Alpine Title Company, and NorthRico's approval and acceptance of all terms and conditions binding upon NorthRico that are made in any further agreeruents between NorthRico, Atlantic Richfield and Outlook Resources Inc. related to transfer of the Property to the Trust through delivery of Deed No. 1 to NorthRico. The acceptance of this trust property by the Trust is conditioned upon the unanimous affirmative vote of the Directors of the Trustee upon any terms or conditions for the transfer of said Property to the Trust that are binding upon the Trustee or the Trust. At the time of execution of this Trust Agreement, the parties expect that geothermal development rights beneath the Property may be excluded from the transfer, provided that such geothermal development, if conducted in the future, shall be conducted in a manner that will not interfere with the remedial activities occurring on such properties, as determined by the surface owner.

EXHIBIT B

Statement of Work to define the "VCUP Soils Obligations"

Van Winkle Subdivision: (a) provide all funding for (i) all taxes and assessments arising from ownership of Lot 2 of the Van Winkle Subdivision; (ii) implementation of the Scope of Work, as it may be amended in the future, attached to and made part of the Maintenance Agreement dated August 20, 2008 between the Town of Rico and NorthRico (Recorded in the Dolores County records at Book 378, Page 15, Instrument No. 200800157381); and, (iii) any other obligations of NorthRico, or any successor trustee of the NorthRico Trust, under that Maintenance Agreement.

Other Real Property: (a) Atlantic Richfield shall use best efforts to secure ownership or control of real property identified as Property 2, Property 3, and Property 4 described on Exhibit A to the Trust Agreement (collectively, the North Property), and pay all costs and expenses related thereto; (b) upon transfer of some or all of the North Property to the Trust, provide fimding for: (i) all taxes and assessments; and (ii) all costs and expenses related to maintenance and security of the North Property attendant to NorthRico's and Atlantic Richfield's use of the North Property (iii) any other cost, expense, and liability related to Trust ownership of such property (excluding other costs, expenses and liabilities solely related to geothermal development and any other use or approval by NorthRico as Trustee of the NorthRico Trust that are unrelated to water treatment or solid waste management).

Soil Repository: provide all funding for operation, monitoring and maintenance of the Soil Repository, including but not limited to closure and post-closure tasks and responsibilities, in compliance with the requirements of the Certificate of Designation therefor;

Article IV (Indemnification) NorthRico By-Laws: (a) provide all funding for, defend, save, indemnify and hold harmless NorthRico, its officers and directors in the event a claim, loss, cause of action, administrative claim, damage and liability (collectively, "Claim") within the scope of Article IV of the Bylaws is asserted against NorthRico or an officer or director of NorthRico. Atlantic Richfield shall also pay all the costs, if any, for purchase of insurance coverage for the benefit of any Member director that covers such risks.

Indemnification related to Claims against NorthRico and the Trust: (a) provide all funding for, defend, save, indemnify and hold harmless NorthRico and the Trust from Claims related to ownership of Trust-owned property, including without limitation the use of the North Property for water treatment, solid waste management and the Soil Repository. Provided however, all costs and expenses related to the physical construction, operation and maintenance, including all closure and post-closure tasks and responsibilities related to water treatment and solid waste management for water

treatment shall not be considered VCUP Soils Obligations; all such costs are the responsibility of Atlantic Richfield Company, and Atlantic Richfield Company shall indemnify NorthRico and the Trust against all such costs and expenses, and defend same against any Claims arising therefrom.

Costs of Trust Administration: provide all fimding for costs incurred by the Trustee for administration of the Trust.

Other Expense, Cost or Liability of NorthRico and the Trust: Except as limited by the foregoing paragraphs, provide all funding, as necessary, for any other expense, obligation, cost or liability incurred by or on behalf of the Trust, NorthRico, and/or any subsequent Trustee of the Trust.

EXHIBIT C

Initial Deposit (Calendar Year 2010 Budget), pursuant to Section 1(a)

$_____

BYLAWS

of

NorthRico, Inc.

ARTICLE 1
OFFICES

Section 1.1 *Principal Office.* The principal office and place of business of the Corporation in the State of Colorado or another location shall be designated from time to time by the Corporation. The Corporation may have such other offices, either within or outside Colorado, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.2 *Registered Office.* The registered office of the Corporation in Colorado may be, but need not be, the same as the principal office. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2
BOARD OF DIRECTORS

Section 2.1 *Qualifications; Election; Tenure.*

(a) Members of the Board of Directors of the Corporation shall be natural persons at least eighteen years of age or older. The Directors, who need not be residents of the State of Colorado, shall manage the affairs of the Corporation. The initial Board of Directors shall be three (3) in number. The Board of Directors may by unanimous vote increase or decrease the size of the Board; provided that any such increase or decrease shall comply with the second sentence of Section 2.1(b).

(b) All Directors shall be appointed by the Members as provided in this Section 2.1(b). Subject to Section 5.3, each Initial Member shall at all times have the right to appoint one Director. Upon the resignation, removal or death of a Director, the Initial Member that appointed that Director shall have the right to appoint a Director to fill the vacancy.

(c) Each Director shall be selected for an indefinite term and shall hold office until the Member that appointed him or her selects a successor. A Director continues to serve until the Director's successor has been appointed and qualifies.

(d) Except for the voting power of the Members described in Section 5.2, the Board of Directors shall have the exclusive voting power for all decisions and acts of the Corporation.

Section 2.2 *Annual Meeting.* An annual meeting of the Board of Directors shall be held on such date and at such time and at such place as the Board of Directors may determine. The annual meeting of the Board of Directors shall be for the purpose of the transaction of such

business as may come before the meeting. Failure to hold an annual meeting does not affect the validity of any corporate action. Notice of the annual meeting shall be given in accordance with Section 2.12, but such notice need not state the purpose of the meeting.

Section 2.3 *Regular Meetings*. The Board of Directors may provide by resolution the time and place, either within or outside Colorado, for the holding of regular meetings without other notice.

Section 2.4 *Special Meetings*. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. Special meetings shall be held at such time and place, either within or outside Colorado, as may be designated by the authority calling such meeting; provided that no meeting shall be called outside the State of Colorado unless a majority of the Board has so authorized.

Section 2.5 *Notice*. Notice of the date, time, place and purpose of any special meeting or any other meeting for which notice is required shall be given to each Director at least five (5) business days prior to the meeting. Notice may be given orally in person or by telephone or may be given in writing by U.S. Mail, electronic mail, electronically transmitted facsimile, or other form of wire or wireless communication. If mailed, such notice shall be deemed received and to be effective on the earlier of (i) five days after such notice is deposited in the United States mail, properly addressed, with first class postage prepaid; or (ii) the date shown on the return receipt, if mailed by registered or certified mail return receipt requested, provided that the return receipt is signed by the Director to whom the notice is addressed. If notice is given orally in person or by telephone it is effective when communicated. If notice is given by electronic mail, electronically transmitted facsimile, or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective as of the date and time of machine confirmation of delivery. Notice may be mailed to the last address known to the Corporation. If a Director has designated in writing one or more reasonable addresses or facsimile numbers for delivery of notice, notice sent by U.S. mail, electronic mail or electronically transmitted facsimile or other form of wire or wireless communication shall not be deemed to have been given or to be effective unless sent to such addresses or facsimile numbers as the case may be.

Section 2.6 *Waiver of Notice*. A Director may waive notice of a meeting before or after the time and date of the meeting by a writing signed by the Director. Such waiver shall be delivered to the corporate Secretary for filing with the corporate records, but such delivery and filing shall not be conditions to the effectiveness of the waiver. Further, a Director's attendance at or participation in a meeting waives any required notice to the Director of the meeting unless at the beginning of the meeting, or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting.

Section 2.7 *Telephonic Meetings*. Any annual, regular or special meeting may be a telephonic meeting. Any Director (or any member of any committee designated by the Board) may participate in a meeting of the Board of Directors or a committee thereof through the use of any means of communication by which all Directors participating in the meeting can hear each other during the meeting. A Director participating in a meeting in this manner is deemed to be present in person at the meeting.

Section 2.8 *Quorum; Voting.*

(a) A quomm at all meetings of the Board of Directors shall consist of a majority of the Directors holding office. Less than a quomm may adjoum from time to time without fiurther notice until a quorum is present. Except as provided otherwise by the Bylaws, the act of all members of the Board of Directors, or an authorized committee, shall be the act of the Board of Directors.

(b) For purposes of determining a quorum and for purposes of casting a vote, a Director may be deemed to be present and to vote if the Director grants a signed, written proxy to another Director who is present at the meeting. The proxy must direct a vote to be cast with respect to a particular proposal that is described with reasonable specificity in the proxy. No other proxies are allowed.

(c) A Director who is present at a meeting of the Board of Directors is deemed to have assented to all action taken unless: (i) the Director objects at the beginning of the meeting, or promptly upon arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken; (ii) the Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes; or (iii) the Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment, or by the Corporation promptly after adjournment. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 2.9 *Vacancies.* Any vacancy in the Board of Directors shall be filled by the Members as provided in Section 2.1(b). A Director appointed to fill a vacancy shall serve until such person's successor is duly appointed and shall have qualified.

Section 2.10 *Committees.*

(a) The Board of Directors may designate from among the Directors, by a resolution adopted by the entire Board of Directors, one or more committees, each of which shall have and may exercise such authority in the management of the Corporation as shall be provided in such resolution. No such committee shall have the power or authority to elect, appoint or remove any Director; amend, restate, alter, or repeal the Articles of Incorporation; amend, alter, or repeal these or any other Bylaws of the Corporation; approve a plan of merger; approve a sale, lease, exchange, or other disposition of all or substantially all of the property of the Corporation, other than in the usual and regular course of business, or to take any other action prohibited by law.

(b) The Board of Directors may establish by resolution one or more committees, advisory Boards, auxiliaries, or other bodies of any kind with such mles of procedure as the Board may provide. Such committees may provide such advice, service and assistance as requested, but may not exercise any power or authority reserved to the Board of Directors.

Section 2.11 *Delegation of Authority for Water Treatment Tasks.* By approving these Bylaws, the entire Board of Directors has delegated to the member of the Board of Directors that

is appointed by Atlantic Richfield Company the sole authority on behalf of the Board of Directors to make all decisions relating to any water treatment (and management of solid waste from water treatment) activities of the Corporation. The member of the Board of Directors that is appointed by Atlantic Richfield Company shall regularly advise the Board of Directors of all such decisions and matters related to planned water treatment-related management activities of the Corporation. This delegation of management authority for any water treatment (and management of sohd waste from water treatment) activities shall not be terminated or modified in any manner except upon a unanimous vote of the Board of Directors.

Secfion 2.12 *Resignation.* A Director may resign at any time by giving written notice of resignation to the Corporation. The resignation is effective when the notice is received by the Corporation unless the notice specifies a later effective date. A Director who resigns may deliver a statement to that effect to the Colorado Secretary of State.

Section 2.13 *Removal.* A member of the Board of Directors may be removed with or without cause by the Initial Member that appointed that Director.

Section 2.14 *Action Without a Meeting.* Any action required by law to be taken at a meeting of the Board of Directors, or any committee thereof, or any other action which may be taken at a meeting of Directors, or any committee thereof, may be taken without a meeting if every member of the Board or such committee, as appropriate, in writing either: (i) votes for such action or (ii) votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken only if the affirmative votes for such action equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors or committee members, as appropriate, then in office were present and voted. The action shall be effective only if there are writings that describe the action, signed by all Directors, received by the Corporation and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Corporation unless the writings set forth a different date. Any Director who has signed a writing may revoke it by a writing signed, dated and stating the prior vote is revoked. However, such writing must be received by the Corporation before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting.

Section 2.15 *Compensation.* No member of the Board of Directors shall receive any compensation from the Corporation for serving in such office, provided that the Corporation may reimburse any member of the Board of Directors for reasonable expenses incurred in connection with service on the Board.

Section 2.16 *Standard of Conduct for Directors and Officers.* Each Director and officer shall perform their duties as a Director or officer, including without limitation their duties as a member of any committee of the Board, in good faith, in a manner the Director or officer reasonably believes to be in the best interests of the Corporation, and with the care an ordinarily pmdent person in a like position would exercise under similar circumstances. In the performance of their duties a Director or officer shall be entitled to rely on information, opinions,

reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons designated below. However, a Director or officer shall not be considered to be acting in good faith if the Director or officer has knowledge conceming the matter in question that would cause such reliance to be unwarranted. A Director or officer shall not be liable to the Corporation or its members for any action the Director or officer takes or omits to take as a Director or officer if, in connection with such action or omission, the Director or officer performs their duties in compliance with this Section.

The designated persons on whom a Director or officer are entitled to rely are: (i) one or more officers or employees of the Corporation whom the Director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant, or other person as to matters which the Director or officer reasonably believes to be within such person's professional or expert competence; or (iii) a committee of the Board of Directors on which the Director or officer does not serve if the Director reasonably believes the committee merits confidence.

Section 2.17 *Conflicting Interest Transaction.* A Conflicting Interest Transaction, as defined in this Section 2.17, shall not be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by or in the right of the Corporation, or by a member, solely because the Conflicting Interest Transaction involves a Director, officer or employee or an entity in which a Director, officer or employee is a Director or officer or has a financial interest or solely because the Director or officer is present at, or participates in, a meeting of the Board of Directors or of a committee which authorizes, approves or ratifies the Conflicting Interest Transaction or solely because the Director's vote is counted for such purposes if (i) the material facts as to the relationship or interest and as to the Conflicting Interest Transaction are disclosed or known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes, finds the Conflicting Interest Transaction to be fair to the Corporation and approves or ratifies it by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or (ii) the Conflicting Interest Transaction is fair to the corporation as of the time it is authorized, approved or ratified by the Board of Directors or a committee thereof.

A "Conflicting Interest Transaction" means any contract or transaction between the Corporation and a Director, officer or employee, or between the Corporation and an entity in which a Director, officer or employee is a Director or officer or has a financial interest.

ARTICLE 3
OFFICERS

Section 3.1 *General.* The officers of the Corporation shall be a President, a Secretary and a Treasurer. Any individual may hold more than one office. The Board of Directors may appoint such other officers as it may deem advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as set forth in the Bylaws or as from time to time may be determined by the Board of Directors. Except as expressly prescribed by these Bylaws, the Board of Directors or the officer or officers authorized by the Board, shall from time to time determine the procedure for the appointment of officers, their authority and duties, provided that the Board of Directors may change the authority and duties of

any officer who is not appointed by the Board. All officers shall be natural persons who are eighteen years or older. An officer may be but need not be a Director of the Corporation.

Section 3.2 *Powers and Duties.* The officers of the Corporation shall exercise and perform the respective powers, duties, and functions as are stated below and as may be assigned to them by the Board of Directors.

(a) The President shall preside at all meetings of the Board. The President shall be the Chief Executive Officer of the Corporation and shall, subject to the general direction and control of the Board of Directors, have the general supervision, direction, and control over the business and affairs of the Corporation and its officers, agents, and employees. The President shall, in good faith, regularly advise the Board of actions taken under this general grant of authority. The President may negotiate, enter into and execute contracts, permits, licenses, deeds, leases, mortgages, deeds of tmst, or other documents of conveyance or encumbrance of any real property owned by the Corporation, and any other instruments on behalf of the Corporation as are necessary and appropriate to the conduct of the business and affairs of the Corporation as directed by the Board of Directors, any authorized Committee, or member of the Board of Directors appointed by Atlantic Richfield Company on matters pertaining to water freatment-related management activities of the Corporation delegated to such person as provided in Section 2.8. With the approval of the Board, the President shall have full authority on behalf of the Corporation to attend any meeting, give any waiver, cast any vote, grant any discretionary or directed proxy to any person, and exercise any other rights of ownership with respect to any shares of capital stock or other securities held by the Corporation and issued by any other corporation or with respect to any partnership, tmst or similar interest held by the Corporation. The President shall also perform all duties incident to the office of President and such other duties as may be assigned by the Board of Directors from time to time.

(b) The Secretary shall keep accurate minutes of the proceedings of the members and of the Board of Directors and of any committees of the Board of Directors; shall ensure that all notices are duly given in accordance with the provisions of these Bylaws; shall be custodian of the records and of the seal of the Corporation and shall attest the affixing of the seal of the Corporation, if any, when authorized by the Board of Directors; and shall perform such additional duties as are incident to such office and as may be assigned to such person by the Board of Directors or the President. The Secretary may sign, with the President or any other proper officer of the Corporation designated by the Board of Directors, any deeds, leases, mortgages, deeds of tmst, or other documents of conveyance or encumbrance of any real property owned by the Corporation. Assistant Secretaries, if any, shall have the same duties and powers subject to the supervision of the Secretary.

(c) The Treasurer shall be the principal financial officer of the Corporation; shall have the charge and custody of and be responsible for all fimds and securities of the Corporation; shall deposit such fimds in the name of the Corporation in such depositories as shall be designated by the Board of Directors; shall keep accurate books of account and records of financial transactions and the condition of the Corporation and shall submit such reports thereof as the Board of Directors may from time to time require; and in general, perform all duties incident to such office and such other duties as may from time to time be assigned to such person by the President or by the Board of Directors. The Treasurer shall receive all moneys contributed

or paid to the Corporation and, subject to any limits imposed by the Board of Directors, shall have authority to sign and endorse checks in the Corporation's name and on the Corporation's behalf as are necessary and appropriate to the conduct of the business and affairs of the Corporation. The Treasurer shall make an annual financial report to the Corporation at the annual meeting of the Board of Directors. With the approval of the Board of Directors, the Treasurer shall be authorized to engage any firm of certified public accountants to assist in the performance of any of the duties incident to the Treasurer's office. Assistant Treasurers, if any, shall have the same duties and powers subject to the supervision of the Treasurer.

Section 3.3 *Selection and Terms of Officers.* All officers of the Corporation shall be elected by the Board of Directors and shall hold office until the first to occur of death, resignation, removal from office by the Board of Directors or a successor having been duly appointed and qualified by the Board of Directors.

Section 3.4 *Compensation.* No compensation shall be paid to officers of the Corporation for serving in such capacity, unless otherwise approved by a unanimous vote of the Board of Directors. In no event shall an employee of Afiantic Richfield who serves as an officer of the Corporation (or any other capacity) receive compensation from the Corporation. The Corporation shall reimburse any officer for all reasonable expenses incurred by such individuai in connection with services rendered to or for the Corporation.

Section 3.5 *Resignation and Removal.* An officer may resign at anytime by giving written notice of resignation to the Corporation. The resignation is effective when the notice is received by the Corporation unless the notice specifies a later effective date. Any officer or agent elected may be removed at any time with or without cause by the Board of Directors or by an officer or officers authorized by the Board to do so. An officer who resigns or is removed or whose appointment has expired may deliver a statement to that effect to the Colorado Secretary of State. Such removal does not affect the contract rights, if any, of the Corporation or of the person so removed unless otherwise specified in such contract. The appointment of an officer or agent shall not in itself create confract rights.

Section 3.6 *Vacancies.* A vacancy in any office, however occurring, may be filled by the Board of Directors, or by the officer or officers authorized by the Board, for the unexpired portion of the officer's term. If an officer resigns and the resignation is made effective at a later date, the Board of Directors, or officer or officers authorized by the Board, may pennit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date if the Board of Directors, or officer or officers authorized by the Board provide that the successor shall not take office until the effective date. In the altemative, the Board of Directors, or officer or officers authorized by the Board of Directors, may remove the officer at any time before the effective date and fill the resulting vacancy.

ARTICLE 4
INDEMNIFICATION

The Corporation shall indemnify to the maximum extent permitted by law any person who is or was a Director or officer of the Corporation against any claim, liability or expense arising against or incurred by such person made party to a proceeding because he is or was a

Director or officer of the Corporation or because he is or was serving another entity as a Director or officer, partner, tmstee, employee, fiduciary or agent at the Corporation's request. By resolution of the Directors, the Corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

ARTICLE 5
MEMBERS

Section 5.1 *Establishment of Members.* The Initial Members of the Corporation shall be Atlantic Richfield Corporation, the Town of Rico, Colorado and Rico Renaissance LLC. Additional Members may be admitted to the Corporation only upon unanimous consent of the Directors. The Town of Rico has never owned or operated any mining venture on real property of the Corporation, and the Town's membership and participation in the affairs of the Corporation shall not be constmed to create or expand the Town's fiability, if any.

Section 5.2 *Voting Power.* The sole voting, consent and appointment power of the Members shall be the election, appointment and removal of the Board of Directors. Any election, appointment and removal of a Director designated by a Member (as described in Section 2) shall be made in writing, signed by such Member and delivered to the Board of Directors. There shall be no regular or special meetings of the Members; provided, however, the Board of Directors may call a meeting of the Members, if necessary, and shall provide a notice reasonably in advance of such meeting to describe the purpose of such meeting.

Section 5.3 *Resignation.* Any Initial Member, except Atlantic Richfield Corporation, or other Members may resign at any time upon six (6) months prior written notice delivered to the Board of Directors. Atlantic Richfield Corporation may resign only upon the unanimous approval of the Board of Directors. The resignation of any Member does not relieve the Member from any obligation the Member may have to the Corporation as a result of an obligation incurred or commitments made prior to the resignation. If an Initial Member resigns, such Initial Member shall forfeit its rights to appoint a Director pursuant to Section 2.1(b).

Section 5.4 *Transfer of Membership.* A Member may transfer or assign such Member's membership and any rights arising therefrom only upon receiving the written consent of the members of the Board of Directors who are not appointed by such transferring Member. For purposes of this Section 5.4, a change of control of a Member shall be treated as an assignment or transfer of such Member's membership. Notwithstanding the foregoing, Atlantic Richfield Company may assign its membership to any of its affiliates, and any such assignee may assign such membership interest to any other affiliate of Atlantic Richfield Company, without the written consent of the Board of Directors. The transfer of Atlantic Richfield Company's membership as provided herein shall not modify or extinguish any financial assurance commitment to the State of Colorado or other govemment authority that is made by Atlantic Richfield Company on behalf of the Corporation without the approval of the State or other govemment authority.

ARTICLE 6
CONTRACTS, LOAN, AND DEPOSITS

Section 6.1 *Contracts.* The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 6.2 *Loans.* No loans shall be contracted for on behalf of the Corporation and no evidence of indebtedness shall be issued in the name of the Corporation unless authorized by a resolution of the Board of Directors. Such authority may be general if confined to a specific dollar limit determined from time to time by resolution of the Board of Directors and shall otherwise be confined to specific instances. No loan shall be made to any member, officer or Director of the Corporation.

Section 6.3 *Checks, Drafts, and Notes.* All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 6.4 *Deposits.* All fimds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, financial institutions, or other custodians as the Board of Directors may select.

Section 6.5 *Investment Managers.* The Board of Directors shall have the authority to designate any bank, tmst company, brokerage firm, or investment advisor to manage the assets and investment of the assets of the Corporation.

Section 6.6 *Fiscal Year.* The fiscal year of the Corporation shall be determined by the Board of Directors.

ARTICLE 7
AMENDMENTS

These Bylaws may be amended, altered, or repealed and new Bylaws may be adopted by the Board of Directors of the Corporation by a majority vote of all Directors; provided, however, any amendment, alteration or repeal of Section 2.1 must be adopted by a unanimous vote of all Members.

ARTICLE 8
MISCELLANEOUS

Section 8.1 *Seal.* The Board of Directors may adopt a corporate seal, which may be circular inform and shall contain the name of the corporation and the words, "Seal, Colorado."

Section 8.2 *Definitions*. Except as otherwise specifically provided in these Bylaws, all terms used in these Bylaws shall have the same definition as in the Colorado Revised Nonprofit Corporation Act.

The above Bylaws were approved and adopted by the Board of Directors on the _____ day of _____, 2006.

_____

_____, Secretary