FRAMEWORK FOR AGREEMENT
ORPHAN SHARE FUNDING AND REMEDY IMPLEMENTATION:
ANACONDA COPPER MINE, LYON COUNTY, NEVADA

Atlantic Richfield Company (ARC) and the State of Nevada have discussed the Nevada Division of Environmental Protection (NDEP) assuming the lead oversight role for the closure and reclamation of the Anaconda Copper Mine, Lyon County, Nevada (the Site). NDEP-lead is an alternative to EPA's formal proposal to place the Site on the CERCLA National Priorities List (NPL) and proceeding with an EPA-lead, federally-funded CERCLA response action. ARC and NDEP are working to negotiate an agreement that would effectuate NDEP's lead oversight role, defer NPL listing, and establish a framework under which ARC would perform and fund a substantial portion of the necessary response action, including the OU-8 remedy, among other things. The key proposed terms of such an agreement are set forth below.

I. NDEP LEAD

a. **Deferral Agreement**: Consistent with EPA's "*Guidance on Deferral of NPL Listing Determinations While States Oversee Response Actions*" (OSWER Dir. 9375.6-11) (the "Deferral Guidance"), NDEP agrees to enter into a binding Deferral Agreement with EPA (on behalf of the United States, including BLM) to defer NPL listing, assume lead oversight authority for a CERCLA-protective remedy, and define the limited conditions under which NDEP or EPA could terminate the agreement or separately require further response actions. As set forth in Paragraph VI, Termination, Conditions Precedent, and Reservations, of this Agreement, ARC reserves its rights subject to separate agreements with EPA and BLM.

i. **Implementation**

a. NDEP has responsibility, with defined EPA involvement, to provide for a timely CERCLA–protective cleanup under state authority and to support the public's right of participation in the decision–making process. ARC and NDEP agree that EPA's role will generally be limited to review of NDEP's semi–annual and annual reports and consultation on the proposed remedy. However, should EPA request reports, data, or other documentation related to the remedial activities at the Site, ARC agrees to provide EPA with copies of those documents at NDEP's request. ARC and NDEP agree that during construction of the selected remedy, conference calls with ARC, NDEP, BLM and EPA may be scheduled on a quarterly basis to provide updates on the status and progression of the work on-site. ARC will prepare quarterly and annual summary reports to be provided to NDEP, in addition to other reporting required to be provided to NDEP.

b. ARC and NDEP agree that NDEP may provide EPA with copies of significant RI/FS work plans and reports and that NDEP may consider comments by EPA in good faith prior to approving documents submitted by ARC.

ii. **Coordination with EPA after Remedy Construction**: Once NDEP considers response actions at the Site to be complete, it will certify to EPA, BLM, the Tribal Governments, and the affected community that the remedy has been successfully completed and intended clean-up levels and performance standards included in the applicable Record of Decision have been achieved (Certification). As part of this Certification, NDEP will submit for EPA's review response action completion documentation for the Site or a portion of the Site. The response action completion documentation must be consistent with that described in the May 2011 OSWER Directive "Close Out Procedures for National Priorities List Sites (OSWER Directive 9320-2-22) or the appropriate subsequent / later published EPA guidance (Completion Report). Consistent with this Directive, actual construction or implementation of a remedial action project on a portion of the Site that is designed to achieve progress toward specific remedial action objectives (RAOs) identified in a remedy decision document can be documented in a Remedial Action Report to support the determination of Remedial Action Project Completion for that portion of the Site. Based on the results of EPA's review below, EPA will update the Site status in the Superfund Enterprise Information Management System ("SEMS") or its successor to reflect achievement of Site completion or remedial action completion for that portion of the Site addressed in NDEP's Certification and Completion Report. Upon receiving NDEP's Certification and Completion Report, EPA will either (1) confirm in writing that the Site response has been completed or (2) within 90–days of receipt of NDEP's Certification and Completion Report, initiate and complete a completion inquiry to review the Completion Report and determine whether to confirm the Certification from NDEP for the Site or the portion of the Site addressed in these documents. If a CERCLA-protective deficiency is identified by EPA, EPA will consult with NDEP to address such deficiency(ies) hindering the confirmation and agree to a time frame for completion of the inquiry. If EPA does not confirm the response completion, terminate deferral, or initiate and complete an inquiry within 90 days of its receipt of NDEP's Certification and Completion Report, the status of the Site will be updated in SEMS to reflect Site completion or remedial action completion for that portion of the Site addressed in NDEP's Certification and Completion Report. Once the required response at the Site is recorded as complete, the Site or the portion of the Site addressed by NDEP's Certification and Completion Report will not be

evaluated further for NPL listing or another response unless and until EPA receives new information of a release or potential release posing a substantial threat to human health or the environment or receives new information that the response actions completed pursuant to this Deferral Agreement are no longer protective.

iii. NDEP and EPA will conduct semi-annual and/or annual meetings to summarize the status and review conditions at the Site for the first 5 years of post-remedy operations and maintenance. After the first 5 years, such reviews will coincide with the 5-year review process

iv. **Community Participation**

a. **Community Participation Plan:** NDEP will ensure public involvement that is substantially similar to the intent of the National Contingency Plan, in accordance with a Community Involvement and Participation Plan (Plan) finalized for the Site. NDEP will prepare a draft Plan within 90–days after this Deferral Agreement is executed. The public will have 30–days to review the Plan and provide comments. NDEP will prepare a final Plan, 45 days after the public review and comment period closes. The Plan will be designed to satisfy the requirements of the NPL Deferral Guidance, NDEP's regulations, and the unique needs of the Site and surrounding community. NDEP will also ensure the following actions are undertaken:

I. The Administrative Records and Site files will be maintained at NDEP offices located at 901 South Stewart Street, Carson City, Nevada 89701.

II. Site related documents will be available at one or more locations near the Site and through a project website or internet based document repository.

III. Site related information will be provided to community groups.

IV. Through the Plan, the affected community will be able to acquire independent technical assistance in interpreting information with regard to the nature of the hazard, investigations, and studies conducted, and implementation decisions at the Site.

b. **Tribal Assistance:** In lieu of a federally funded technical assistance grant or similar funding mechanism, NDEP will provide the Yerington Paiute Tribe ("YPT") with reasonable financial assistance to support and facilitate interpretation of technical information and participation in remedy selection until issuance of a future Record of Decision that includes the OU-1 remedy. ARC will reimburse NDEP for the actual costs it incurs in providing technical assistance to the YPT in an amount not to exceed one hundred thousand ($100,000.00) dollars, except as

provided in this paragraph. NDEP may request that ARC agree to increase the $100,000 reimbursement limit set forth in this paragraph to account for additional costs incurred by NDEP in providing technical assistance in accordance with the Community Involvement and Participation Plan, which consent shall not be unreasonably withheld.

v. **Covenants Not to Sue:** As part of the Interim Administrative Order on Consent (IAOC), NDEP will agree that ARC's participation in the site-wide remedial action in accordance with the selected remedy and NDEP approved work plans, including but not limited to OU-8, OU-4 and OU-1, will not result in greater liability than otherwise can be established based on ARC's past operations at the Site (*i.e.*, ARC will not incur liability with respect to OU-8 as a consequence of performing OU-8 response actions), nor will it waive any defenses to joint and several liability, including divisibility of harm as to any OU. As part of a future Consent Decree governing remedy implementation, NDEP, on behalf of the State of Nevada, will grant a covenant to not require response actions inconsistent with selected remedial actions, unless the selected remedy fails to achieve performance standards in the Record of Decision or approved remedial design, or new information shows that the remedy is not protective of human health or the environment.

   a. **NDEP Covenants:** Upon completion of the work, in accordance with the conditions of the IAOC, ARC and NDEP will terminate the then current IAOC. Prior to implementation of a final, site-wide remedy, NDEP and ARC anticipate executing a Consent Decree providing for remedial design and remedial action, including covenants for the work completed and covenants conditional upon satisfactory completion of the remedy.

b. **Reservation of ARC rights**: As set forth in Paragraph II.a, ARC will assume financial responsibility for the majority of the costs associated with remedy implementation, including the costs associated with OU-8. Notwithstanding this assumption, ARC reserves its right to assert divisibility of harm and allocation of costs in the event of later termination of the Deferral Agreement, NPL listing or EPA overfiling. In addition to the Deferral Agreement, this term will be incorporated in the IAOC for RI/FS completion and ultimately in the Consent Decree after remedy selection.

II. ALLOCATION OF COSTS

a. **ARC Assumes 92.2% of Orphan Share Direct Costs for Remedy Construction:** ARC will be responsible for payment of 92.2% of the third-party contractor costs charged for

completing the RI/FS and for implementation and construction of the remedy for OU-8 and adjoining portions of adjacent OUs selected by NDEP, EPA, and BLM in the "Interim Record of Decision Anaconda Copper Mines Site, Arimetco Facilities Operable Unit 8" ("ROD-1"); and NDEP, subject to NDEP's approved budget authority, will be responsible for payment of 7.8% of these costs. For purposes of this Agreement, this selected remedy is referred to as the "ROD-1 Remedy." The Division will, in accordance with Nevada law, take such measures as may be necessary to authorize or obtain budget authority for the payment of such costs as necessary to perform and satisfy its payment obligations under this Framework for Agreement. The costs addressed and allocated by this paragraph shall not include (i) any internal costs (e.g., personnel costs, oversight costs, indirect costs, overhead) incurred by ARC or NDEP (NDEP oversight costs are addressed separately in Paragraph II.c) or (ii) any costs of any type incurred by any party prior to the effective date of this Framework Agreement. With respect to OU-8, ARC's performance and funding obligations will terminate following certification of completion of construction of the remedial action described in ROD-1 and achievement of performance objectives for the ROD-1 Remedy included in the approved remedial design, as further described in Paragraph II.b, or as otherwise provided in Paragraph II.b.

b. **OU-8 Operations and Maintenance:** Upon termination of the current EPA orders, ARC will continue to fund and perform operation and maintenance of the FMS during implementation and construction of the ROD-1 Remedy as follows:
    i. For each of the five heap leach pads ("HLP") re-graded and covered as part of the ROD-1 Remedy (Phase I/II, Phase III South, Phase III 4X, Phase IV Slot, and Phase IV VLT), ARC's operation and maintenance obligations with respect to the contiguous HLP cover, any associated drain-down evaporation pond(s), any appurtenant equipment, including pipelines, pumps, sumps, liners, ditches, power supply, and bird deterrents, used in connection with the operation of the pond(s), and any appurtenant stormwater management features (including ditches, pipelines, ponds, and best management practices) shall terminate 30 days after: (a) ARC submits and NDEP approves as-built drawings and a certification of substantial completion of construction for the HLP cover signed by a professional engineer and (b) the mean annual average flow rate for drain-down fluid flow rate exiting the HLP and entering the drain-down pond(s), based on four quarters of monitoring results, is less than or equal to 1.5 gallons per minute (gpm).
    ii. For any other components of the FMS or any other constructed elements of the ROD-1 Remedy, ARC's operation and maintenance obligations shall terminate when either (a) NDEP determines that the ROD-1 Remedy has achieved applicable performance standards, or (b) after 10 years following certification of

remedial action construction completion, whichever is earlier.

iii. Each HLP drain-down evaporation pond will be constructed to facilitate management of accumulated solids and equipped with appropriate flow and level measurement devices. Each HLP will have a least one pond facility associated with it to maximize passive operation to the extent possible.

iv. NDEP or, by agreement with NDEP, a future mining operator, will assume the operations and maintenance and associated costs for each HLP, associated pond(s), and other ROD-1 Remedy feature upon satisfaction of the applicable requirements in Paragraphs II.b.i and II.b.ii above and the termination of ARC's obligations with respect to that feature.

c. **NDEP Costs:** As part of the IAOC and any subsequent agreement, ARC will agree to provide reimbursement for NDEP regulatory oversight costs as follows:

i. As part of the IAOC, ARC agrees to advance the Division an agreed upon amount for oversight costs, which funds shall be maintained by NDEP in a dedicated account or other accounting mechanism that ensures the funds may only be used by NDEP for payment of Site-related costs;

ii. On a biennial basis, NDEP will provide ARC an estimated budget for NDEP oversight costs consistent with the legislatively approved budget;

iii. On a quarterly basis, NDEP will provide ARC an invoice, summary and supporting information for NDEP oversight costs;

iv. ARC will provide payment to NDEP for costs within 60 days of receiving the invoice and supporting information, unless ARC chooses to contest a payment and initiate Dispute Resolution in accordance with procedures in the IAOC;

v. The balance of any funds paid by ARC under this paragraph remaining in the dedicated account or other accounting mechanism described in Paragraph II.c.i at the time the IAOC is terminated shall be credited against any funds later owed by ARC to NDEP for regulatory oversight costs pursuant to any subsequent agreement.

vi. **Retention for Site-wide Operations and Maintenance:** Each year, ARC will retain 10% of the total invoiced and payable costs for Nevada state personnel owed to NDEP. As discussed further in Paragraph IV.a below, NDEP will assume the obligations for long-term operations and maintenance of the ROD-1 Remedy at the completion of remedy implementation and after the conditions in Paragraph II.b are met. Within 30 days of NDEP's assumption of operations and maintenance for the ROD-1 Remedy, ARC will submit the retained funds to NDEP.

III. COMPREHENSIVE SITE WIDE REMEDY

a. **IAOC:** ARC and NDEP will work in good faith to complete and execute an IAOC prior to final execution of the Deferral Agreement between EPA and NDEP, which shall constitute an administrative settlement for purposes of CERCLA Section 113(f)(2). As stated in Paragraph VI below, any obligations of ARC under the IAOC shall, in such event, be contingent upon the final execution of the Deferral Agreement. This IAOC will prescribe the process, schedule, deliverables and assurances for completion of an RI/FS consistent with the terms and assumptions provided below. NDEP and ARC will confer in good faith during negotiation of the IAOC to define a mutually acceptable scope and sequencing for the RI/FS and selection of the preferred alternative for remedial action. The IAOC will also provide for focused interim monitoring and reporting requirements consistent with an NDEP approved work plan and transition of FMS operations and maintenance obligations to NDEP once the conditions listed in Paragraph II.b have been met. ARC will continue to manage the FMS system as part of its ongoing RI/FS activities (excluding FMS repairs exceeding $100,000) until the conditions listed in Paragraph II.b have been met, after which NDEP or a future mining operator will assume responsibility for the FMS and any associated draindown fluid management costs, including bird mitigation. Costs for any FMS repairs that exceed $100,000 and that are required prior to the commencement of ROD-1Remedy construction shall be allocated between ARC and NDEP in the same manner as ROD-1 Remedy construction costs, as provided in Paragraph II.a. For purposes of this paragraph, "repairs" refers only to work required to repair or replace existing FMS components as needed to ensure the continuing functioning of the FMS; whereas other "interim measures" approved by NDEP to prolong the life of, and maintain sufficient capacity in, the FMS (including construction of additional pond storage, if needed) until a site-wide remedy is constructed shall be performed and paid for as set forth in Paragraph III.f below. In addition, ARC will not be responsible for any additional future remedial action, pond construction, etc. that NDEP or other entities may require after the conditions in Paragraph II.b have been met.

b. **Implementation of NDEP mine closure and reclamation regulations:** It is anticipated that the Nevada Statutes and regulations applicable to the closure and reclamation of mining facilities (including NRS 445A.300-NRS 445A.730, NRS 519A.010, and NRS 519A.140-519A.160) and the NDEP regulations implementing those statutes (including NAC 445A.350-NAC 445A.447 and NAC 519A.010 - NAC 519A.415) will provide the overall framework governing the site-wide surface remedy. With regard to the management and remediation of the surface, provided that feasibility studies confirm overall adequate protectiveness, ARC and NDEP agree to the following:

    i. Subject to a final construction design developed by ARC and approved by NDEP

to implement the approved remedy, and to the extent practicable, the approved remedial action may proceed on a site-wide, holistic basis, rather than as one operable unit at a time, to take advantage of the efficiencies derived from fewer mobilizations and to maximize the utilization of on-site materials for filling, contouring, and capping, if appropriate as set forth in Paragraph III.b.iii. To focus attention and effort around the most critical remedial actions, Site OUs have been divided into Priority 1 OUs (1, 3, 4a, 7, and 8) and Priority 2 OUs (2, 4b, 5, and 6), with the focus on the initial phase of Site work being on completing the RI/FS for the Priority 1 OUs and beginning the remedial action for those OUs. Work on individual OUs within Priority 1 and adjoining portions of adjacent OUs, will either occur on a holistic basis across all of the OUs or be sequenced so that field implementation can proceed regularly and without interruption once remedy implementation begins. ARC will propose a schedule for the Priority 2 OUs RI/FS investigations, after work on the Priority 1 OUs remedy is underway. NDEP will review the schedule proposed by ARC and provide approval or approval with modification in accordance with the terms of the IAOC;

ii. ARC will propose to revise groundwater monitoring requirements as part of the IAOC work plan review and approval process. Monitoring requirements will be fit for purpose and built around the following 3 general timeframes, with item 1) "Pre-Remedy Implementation Monitoring" below being defined and implemented as part of the IAOC negotiations:
    a. Pre-Remedy Implementation Monitoring
    b. Monitoring During Remedy Implementation
    c. Post-remedy Monitoring

iii. Subject to feasibility study evaluations, remedy selection and approval of remedial design, NDEP will authorize the use of existing on-site waste rock and tailings (including sulfide tailings and vat leach tailings (VLT)) for fill and cover materials. NDEP and ARC will work in good faith with the Site landowners in an effort to secure the availability of a critical amount of on-site material and repository capacity.

iv. NDEP agrees to act as the government applicant for a free-use permit from the Bureau of Land Management (BLM) for off-site fill material from adjacent and nearby BLM lands. ARC will pay all costs associated with the application, permitting process, and performance guarantees. Additionally, ARC will indemnify NDEP for any claims or losses associated with its status as applicant and permittee.

v. Subject to applicable regulatory requirements, TENORM and other low level radioactive materials requiring active remediation may be managed and

disposed of in-place or in on-site repositories;

vi. Subject to the remedy selection process, applicable water pollution control regulations, and appropriate access restrictions, NDEP will not require reclamation or active management of water in the pit. Subject to applicable water pollution control regulations, diverted stormwater and/or groundwater (if any) may be discharged to the pit or the Wabuska Drain;

vii. To the extent reasonably necessary to progress the remedy in a timely and efficient manner, and after reasonable efforts by ARC to secure access, NDEP will assist ARC in gaining access to off-site and on-site property for investigation and remedy implementation, including siting of remedial action features and placement of material.

c. **Assurance of CERCLA protectiveness**: Consistent with the *Deferral Guidance*, selection and implementation of a final remedy that will provide an adequate level of CERCLA protectiveness will be the guiding principle for remedy decisions at the Site. With regard to the management and remediation of the Site, provided that feasibility studies accepted by NDEP confirm overall adequate protectiveness, ARC and NDEP agree to the following:

   i. As part of the feasibility study process, ARC will propose a remedial action for the Site that:

      a. Focuses on source control and limited, if any, active groundwater remediation on-site;

      b. Does not require active groundwater remediation off-site unless and until: (a) pre-defined monitoring metrics demonstrate a lack of plume stability/attenuation or exposure to off-site receptors, (b) the pre-selected contingent remedy elements described in Paragraph III.d below are shown to be ineffective, and (c) such treatment is determined to be technically practicable and cost-effective. NDEP agrees to consider this proposed remedial action as part of the feasibility study and the remedy selection process and implementation sequence described in Paragraph III.c.vi below.

   ii. As part of the remedial design process, ARC will propose a set of criteria and a monitoring protocol for determining eligibility under NAC 445A.22725 for an exemption/exception to NDEP's requirements for corrective action for groundwater impacted at and by the Site (OU1). NDEP agrees to consider this protocol as part of the remedial design process for groundwater.

   iii. ARC will document reasonable steps to eliminate any remaining domestic drinking water wells within plume boundary. Upon completion of those efforts, and provided applicable regulations and specific conditions warrant, the State will assist ARC in obtaining domestic well abandonment for any remaining hold-

out / opt-out wells / well owners within the plume boundary that cannot be eliminated, as permitted by applicable state and federal laws.;

iv. To the extent that a formal risk assessment for OU-1 RI is needed, or for other OUs, such risk assessment will account for and consider the reasonably anticipated future land uses, existing and planned institutional controls and well restrictions;

v. As part of the feasibility study process for groundwater, ARC will propose remedial actions that include relocation or elimination of the Weed Heights sewage ponds. If the selected remedial action includes elimination or relocation of the Weed Heights sewage ponds, NDEP will support and help facilitate efforts to secure state and / or federal grants or other funds to relocate the Weed Heights sewage ponds. NDEP agrees to participate in negotiations with Weed Heights residents and/or landowners, as needed to eliminate/replace the system.

vi. **Remedy Selection and Implementation Process for Groundwater.** The IAOC and the subsequent Consent Decrees (or other enforceable instruments) governing groundwater remedy implementation will sequence remedy selection and implementation of response actions as follows.

   a. ARC will first complete a feasibility study, including a human health risk assessment, for groundwater (for areas both within and outside of the former Anaconda mine property boundary), including:

      I. A proposal for a performance evaluation period, performance monitoring plan, and performance evaluation criteria ("on-site groundwater remedy performance monitoring protocol");

      II. Description and analysis of proposed contingent remedy elements (see Paragraph III.d below);

      III. A proposal for criteria that would trigger implementation of contingent remedy elements; and

      IV. Assessment of off-site exposure to site contaminants in groundwater, plume stability/movement, and attenuation of contaminant concentrations in off-site groundwater.

   b. NDEP will select a remedy for on-site groundwater, including the on-site groundwater remedy performance monitoring protocol, specification of any selected contingency remedy elements, and criteria and timing for implementation of any selected contingent remedy elements.

   c. NDEP will require interim monitoring of off-site groundwater while source control measures and other on-site remedial actions are being implemented; NDEP will reserve the right to require additional groundwater interim measures to address contaminant migration or

prevent exposure to contaminants in off-site groundwater if NDEP determines, based on the interim monitoring results, that such measures are necessary to maintain CERCLA protectiveness.

d. NDEP and ARC will enter into a Consent Decree governing on-site groundwater remedy implementation and interim off-site groundwater monitoring.

e. ARC will implement the approved remedy for on-site groundwater, the on-site groundwater remedy performance monitoring protocol, interim off-site groundwater monitoring and, if required, contingent remedy elements.

f. Except as set forth in sub-paragraphs III.c.vi.a through III.c.vi.e above, NDEP will not commence remedy implementation for off-site groundwater until after completion of the on-site groundwater remedy performance evaluation period. At that time, ARC will update the groundwater feasibility study, including human health risk assessment, for off-site groundwater (outside the former Anaconda mine property boundary), including an evaluation of the on-site groundwater remedy performance and an evaluation of an NAC 445A.22725 exemption from on-site and off-site groundwater corrective action. The updated feasibility study will include the same elements for off-site groundwater as are set forth above in subparagraphs III.c.vi.a.I-III for the initial groundwater feasibility study, including an "off-site groundwater remedy performance monitoring protocol."

g. NDEP will select a final remedy for off-site groundwater, including the off-site groundwater remedy performance monitoring protocol, specification of any selected off-site contingency remedy elements, and criteria and timing for implementation of any selected off-site contingent remedy elements, based on the updated groundwater feasibility study, and it will include in its selection process an evaluation of an NAC 445A.22725 exemption from on-site and off-site groundwater corrective action. Before requiring additional response actions at that time beyond those specified in sub-paragraph III.c.vi.c above (including off-site groundwater extraction and/or treatment), NDEP will need to confirm that: (i) the performance criteria set forth in the off-site groundwater remedy performance monitoring protocol are not being met; (ii) the selected off-site contingency remedy elements are not effective in achieving the performance criteria; (iii) exposure risk for off-site groundwater receptors fails to satisfy the factors set forth in 40 C.F.R. § 300.430(e)(2)(i)(A)(1),(2); and (iv) the eligibility criteria for an NAC 445A.22725 exemption are not satisfied.

h. If necessary to document any additional response actions required for off-site groundwater, NDEP and ARC will amend the Consent Decree governing remedy implementation.

i. ARC will implement the final selected remedy for off-site groundwater.

d. **Contingent Remedy Elements**: As part of the feasibility study process for groundwater, NDEP and ARC agree to evaluate the types, sequence, and timing of additional ("contingent") response actions that may be required if performance standards are not met, or if the plume is determined to be expanding and resulting in exposure to human receptors or discharge to surface water (similar to Rio Tinto site "Water Quality Compliance Protocol" and "Ambient Monitoring Protocol"). These may include, subject to an evaluation of water rights and hydrological considerations:

   i. Additional source control measures
   ii. Off-site irrigation improvements
   iii. Move or eliminate off-site irrigation wells and/or reduce pumping capacities/rates
   iv. Ditch lining
   v. Municipal water service extension or well-head treatment
   vi. On-site groundwater extraction/treatment

e. **Contingent Remedy Evaluations**: Remedy effectiveness and need for contingencies will be evaluated on 5-year interval

f. **FMS:** If necessary to prevent releases of hazardous substances from Arimetco's heap leach and fluid management system, ARC may implement interim measures approved by NDEP to prolong the life of, and maintain sufficient capacity in, the FMS (including construction of additional pond storage, if needed) until a site-wide remedy is constructed or until ARC can complete the ROD-1 Remedy and meet the conditions in Paragraph II.b, after which NDEP would operate the FMS system. If these interim measures are also part of the ROD-1 Remedy, as specified in the Proposed Plan, ROD-1, RD/RA SOW, or approved remedial design, ARC will fund 92.2 % of the capital construction costs, and NDEP, subject to its approved budget authority and obligation hereunder to obtain such authority, will fund 7.8% of these costs. If these interim measures are not considered part of the ROD-1 Remedy, ARC will fund 100% of the capital construction costs. As appropriate, other interim actions consistent with a final remedy could also proceed while the final remedy selection and design processes are underway.

IV. POST REMEDY CONSTRUCTION LONG TERM OPERATIONS AND MAINTENANCE

a. **Operations and Maintenance Obligations.** At the completion of remedy implementation and after the conditions in Paragraph II.b are met, NDEP will assume the direct control of and the obligation to perform the operations and maintenance of the ROD-1 Remedy. During development of the Consent Decree that governs remedy implementation, NDEP agrees to consider, review and discuss a proposal from ARC which describes the timing, funding and prerequisites for the transfer of OM&M responsibility for other portions of the Site not addressed by the ROD-1 Remedy from ARC to NDEP. NDEP will pay or assure payment for all future operation and maintenance of the ROD-1 Remedy, including fluid management. For the other portions of the Site, ARC will pay or assure payment for all future operation and maintenance in accordance with the applicable terms set forth in the Consent Decree.

b. **Release of Retained Funds.** Assuming that the ROD-1 Remedy is completed in a manner consistent with the terms set forth in this Framework for Agreement, as an NDEP lead site, following the formal transition of operations from ARC to NDEP for the ROD-1 Remedy, ARC will release to NDEP the retained costs, excluding any accrued interest, described in Paragraph II.c.vi above.

V. PRESERVATION OF FUTURE MINING OPPORTUNITIES

a. **Coordination of Permitting**. If Singatse Peak Services or other entity seeks a permit from the NDEP Bureau of Mining Regulation and Reclamation (BMRR), ARC will be given an opportunity to comment on the proposed permit in accordance with NDEP Notice of Proposed Action and Permit Appeal procedures. Following remedy construction, NDEP agrees to negotiate an Environmental Covenant with then existing landowners under NRS 445D that will include provision for preventing land uses that: disrupt or would be inconsistent with construction of the remedy, disturb any partially completed remedy element, or disturb completed remedy elements, unless the land owner notifies ARC and presents a plan for NDEP review and approval which specifically addresses how the proposed land use can proceed while:
    i. ensuring adequate CERCLA protectiveness of the selected final remedy for the Site;
    ii. allowing for simultaneous performance of response actions and the proposed land use;
    iii. providing a plan for the restoration or functional replacement of any disturbed element of the selected final remedy; and
    iv. providing adequate financial assurance for the above in addition to the

reclamation otherwise required by BMRR regulations.

b. **Acknowledgment Marginal Additional Costs not ARC Responsibility**. NDEP acknowledges that any additional / marginal costs of remedy construction necessitated by accommodating any future mining operation are not the responsibility of ARC. ARC shall not be required to modify the approved remedy to accommodate mining operations if such modifications would result in a material increase in the cost of the remedy, and NDEP agrees that it will not seek to enforce such performance or payment of or recover any such costs from ARC.

c. **Post Remedy Mining and Alterations to Site.** Any additional costs associated with operations and maintenance at the Site necessitated by accommodating any future mining operations after long-term operations and maintenance has transferred from ARC to NDEP will not be the responsibility of ARC, and NDEP agrees that it will not seek to enforce payment of or recover any such costs from ARC.

VI. TERMINATION, CONDITIONS PRECEDENT, AND RESERVATIONS

a. ARC's willingness to accept the performance and funding obligations set forth in this Framework for Agreement, and any associated commitments or obligations, are expressly conditioned upon the complete satisfaction of all terms set forth herein, including, without limitation:
    i. Final execution of a Deferral Agreement between EPA and NDEP that effectuates the purposes herein and facilitates NDEP lead oversight for the Site in a manner consistent with the elements of this Framework for Agreement;
    ii. EPA and ARC negotiating the termination of existing administrative orders requiring ARC to perform response actions at the Site, with such termination to be concurrent with the effective date of the IAOC described in Paragraph III.a, above;
    iii. NDEP approval of a final remedial action that is consistent with the elements of this Agreement; and
    iv. Availability of a critical amount of on-site material and on-site repository capacity at reasonable or no cost.

b. Further, NDEP acknowledges ARC's position that without definitive resolution or assignment of the total orphan share, in the Deferral Agreement, EPA and BLM must recognize that some or all of the impact associated with Arimetco's operations are divisible from the impact associated with ARC's operations. In recognition of the value to EPA and BLM from avoidance of direct costs by ARC's assumption of Direct Costs

described above, ARC will negotiate an agreement with EPA and with BLM to limit reimbursement of costs from ARC as follows:

i. EPA Past Costs: EPA will resolve existing past response costs claims (through calendar year 2016) for OUs 1-7 in an amount acceptable to ARC in its reasonable discretion. Those costs will be paid by ARC after the execution of the Deferral Agreement pursuant to a separate AOC between ARC and EPA. EPA will release all claims for past and future response costs for OU-8.

ii. BLM Past Costs: BLM will resolve existing past response costs claims (through calendar year 2016) for OUs 1-7 in an amount acceptable to ARC in its reasonable discretion. Those costs will be paid by ARC after the execution of the Deferral Agreement pursuant to a separate AOC between ARC and BLM. BLM will release all claims for past and future response costs for OU-8.

iii. Future Costs: ARC will limit its obligation to pay EPA's future response costs (post-2016) for oversight of OUs 1-7 response actions, if any, up to a maximum annual amount acceptable to ARC in its reasonable discretion.

iv. Future Costs: ARC will limit its obligation to pay BLM's future response costs (post-2016) for oversight of OUs 1-7 response actions, if any, up to a maximum annual amount acceptable to ARC in its reasonable discretion.

c. In the event of a failure of any term herein or the frustration of purpose of this Framework for Agreement, until an IAOC is fully executed, ARC shall retain the right to withdraw from and terminate this Framework for Agreement and further settlement negotiations without prejudice. By providing this Framework for Agreement, ARC does not admit any liability. ARC reserves and does not waive all claims, rights, remedies, and defenses that may be available to it under any applicable statutes and regulations, at common law, or in equity arising out of or in connection with conditions at or related to the Site. A final, binding agreement (e.g. IAOC) entered into pursuant to the terms set forth in this Framework for Agreement will be subject to final approval by (i) the authorized State agency representatives, and (ii) ARC senior management.

d. After executing this Agreement, NDEP and ARC shall give due consideration to input and information provided by EPA, BLM, the Tribal Governments, and other interested community members and stakeholders with respect to the final terms and implementation of the IAOC, the selection and implementation of a CERCLA-protective remedy, and implementation of the Deferral Agreement. To the extent the terms of this Agreement conflict with the terms of the executed IAOC, the terms of the IAOC will control any rights or obligations of NDEP and ARC related to the Site.

FOR, ATLANTIC RICHFIELD COMPANY

Patricia Gallery

Patricia Gallery, Portfolio Manager – OBC Mining

Date: 12 JUNE 2017

FOR, THE NEVADA DIVISION OF ENVIRONMENTAL PROTECTION

Greg Lovato, Administrator

Date: June 13, 2017