

MEMORANDUM OF UNDERSTANDING
Between The
ALASKA DEPARTMENT OF NATURAL RESOURCES,
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
And The
U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE
CONCERNING RECLAMATION/CLOSURE/POST-CLOSURE BONDING FOR THE
GREENS CREEK MINE
Modification No. 1

The following modifications (**additions; deletions**) to the MOU of June 30, 2014 are executed by mutual consent of the parties:

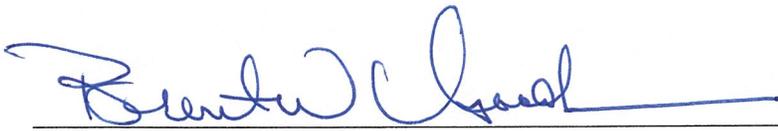
IV.

B. BOND REQUIREMENTS.

- 1) Holder of Bond. The parties agree that the Forest Service, as the primary land management agency, shall hold any bond already posted or to be posted by HCGMC with regard to **closure or reclamation activities for the Greens Creek Mine. The parties agree that ADNR and ADEC shall hold any bond or bonds posted by HCGMC with regard to post-closure care and maintenance activities for the Greens Creek Mine.**
- 2) Revising Bond Amount. The parties will work cooperatively when any party believes that the amount of the required bonding should be increased or decreased to reflect changes in the amount of remaining reclamation, closure, or post-closure requirements, or changes in the cost of required reclamation, closure, or post-closure work.
- 3) Accessing Bond Funds in the Event of Default. In the event that HGCMC defaults in any of its obligations to perform required reclamation, closure, or post-closure activities, and such default remains uncured after notice and opportunity to cure as provided below, the bond funds may be accessed for use in performance of such activities by or on behalf of any party as follows:
 - The party declaring a default in obligations shall give written notice of the alleged default to HGCMC, by confirmed delivery means, with a copy of such notice to the other parties to this MOU.
 - If HGCMC fails to cure a default, the parties will work cooperatively to draw funds from the bond for the purpose of performing, or paying a contractor to perform, the obligation in default. The parties will cooperate to ensure adequate funds remain available to address foreseeable future reclamation, closure, or post-closure activities.
 - ~~The parties will work cooperatively to reach agreement upon the conditions under which the bond funds will be used, including which party to this MOU shall perform or contract to perform the required work.~~ **The party with primary land management authorities over the land upon which specific reclamation, closure, or post-closure activities are to occur shall perform or contract to perform such activities within the parameters described in Section XI.**
 - In the event of an unresolved dispute between the parties as a result of the processes described in Section IV-B, the dispute shall be referred for resolution pursuant to Section IV-C of this MOU.

4) Trust Fund.

- Pursuant to the June 2014 Reclamation and Closure Plan submitted by HGCMC and approved via the ADEC Waste Management Permit (No. 2014DB0003) Section 4.2, ADNR Reclamation Plan Approval (J20142682) Section 5.3.3, and the Forest Service Reclamation Plan Approval (issued Sept. 25, 2014), the State has received and accepted a surety bond (Bond # K08399232) in the amount of \$13,573,219.00.
- In the event that HGCMC fails to establish an approved trust fund at the time of permanent cessation of operations at Greens Creek Mine, it is the intent of the parties to establish a trust fund, in accordance with AS 37.14.800, using Surety Bond # K08399232 or its replacement, for funding the performance of long-term post-closure water treatment, monitoring, and periodic dam safety inspections.



1/29/2015

Brent Goodrum, Director
State of Alaska Department of Natural Resources
Division of Mining, Land, and Water

Date



1-23-15

Michelle Hale, Director
State of Alaska Department of Environmental Conservation
Division of Water

Date



1.21.2015

Forrest Cole, Forest Supervisor
U.S. Forest Service, Tongass National Forest

Date