

PARTICIPATION AGREEMENT WITH THE CLEAN STREAMS FOUNDATION, INC.
FOR THE BELLAIRE CORPORATION
POST-MINING TREATMENT TRUST CONSENT ORDER AND AGREEMENT

This Participation Agreement (“Participation Agreement”) is entered into this 1st day of October, 2010, by and between BELLAIRE CORPORATION, an Ohio Corporation with a mailing address of P.O. Box 245, Armagh, Pennsylvania 15920 (“Bellaire” or “Participant”), and the CLEAN STREAMS FOUNDATION, INC., a Pennsylvania Nonprofit Corporation with a physical place of business located at 160 North McKean Street, Kittanning, Pennsylvania 16201 (the “Foundation”).

WHEREAS, Participant is the entity that pumps and treats mine drainage from the mine pool of the Conemaugh No. 1 Mine (an underground bituminous coal mine located in East Wheatfield Township, Indiana County, Pennsylvania) and collects and treats mine drainage seeps emanating from the Charles Coal Refuse Disposal Area associated with the Conemaugh No. 1 Mine under authorization of Coal Mining Activity Permit No. 32891701 and National Pollution Discharge Elimination System Permit No. PA0124591 (the seeps being treated pursuant to a Water Treatment Agreement dated August 22, 2005 between Robindale Energy Services, Inc. and Bellaire);

WHEREAS, the Participant desires to provide funding for a trust established for ensuring the ongoing operation of a treatment system for the discharge from the Conemaugh No. 1 Mine and related seeps;

WHEREAS, the Foundation has established through a Declaration of Trust dated April 7, 2001, a trust for the purpose of assuring that funds and/or financial guarantees are available to the Commonwealth of Pennsylvania in the future to operate and maintain treatment systems to prevent pollution, to protect natural resources from the adverse impacts of untreated discharges into the waters of the Commonwealth and for the health and welfare of the public (the “Trust”); and

WHEREAS, the Foundation has agreed and is willing to accept the Participant's funds or other assets and to perform the duties as are required to be performed pursuant to this Participation Agreement and the Declaration of Trust; and

NOW THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings of the Participant and the Foundation as set forth herein, and with the intention of being legally bound hereby, the Participant and the Foundation hereby agree to the terms and conditions of this Participation Agreement as set forth immediately below.

ARTICLE ONE
DEFINITIONS

§ 1.1 The "Department" means the Pennsylvania Department of Environmental Protection, and its successor if any, which is the governmental agency with responsibilities related to the administration of the water pollution control and mining reclamation programs in Pennsylvania.

§ 1.2 "Operate" means, but is not limited to, the operation, maintenance, improvement and replacement of the currently existing and functioning treatment facilities approved by the Department and any other facilities which may be required in the future.

§ 1.3 "Participant" means Bellaire (in the case of this Participation Agreement) and any other individual, organization or corporation, as applicable, that has elected to participate in the Trust pursuant to a Participation Agreement for the purposes of providing funds and/or financial guarantees to assure that funds will be available in the future for the operation of certain treatment systems, for the public purpose of prevention and abatement of pollution, and for the protection of natural resources, the environment, and for the health and welfare of the public.

§ 1.4 "Treatment Systems" means those certain discharges and treatment facilities and activities for which a Participant has provided funds or other assets be held in trust by the Foundation.

§ 1.5 "Foundation" means the Clean Streams Foundation acting as trustee under the terms and provisions of the Declaration of Trust and a Participation Agreement entered into with a Participant, including this Participation Agreement between Bellaire and the Foundation.

ARTICLE TWO
PARTICIPATION IN THE TRUST

§ 2.1 The Participant agrees to provide certain funds and/or assets and/or financial guarantees to be held by the Foundation for purposes of assuring that funds are available in the future for the operation of an active treatment system for the Conemaugh Mine No. 1 and the Charles Coal Refuse Disposal Area (the "Treatment System"), for the prevention of pollution and for the protection of natural resources. The Treatment System is more particularly described in Exhibit A attached hereto. Exhibit A also includes a list of the personal property associated with the Treatment System which Bellaire is conveying to the Trust by means of a bill of sale.

§ 2.2 The Foundation agrees to provide Bellaire a perpetual and irrevocable license to use, operate, maintain, construct or reconstruct the personal property identified in Exhibit A hereof so long as Bellaire continues to conduct the necessary water treatment operations.

§ 2.3 The Foundation agrees to establish within the Trust Fund (as the term is used in Paragraph 2.5 of the Declaration of Trust dated April 7, 2001) a Sub-Account designated as "Sub-Account For Bellaire Corporation - The Bellaire Corporation Treatment Trust" (the "Sub-Account").

§ 2.4 The Participant agrees to make an initial payment to the Trust of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) simultaneously with its execution of this Participation Agreement.

§ 2.5 The Participant agrees to make total payments or transfers to the Trust as agreed upon between the Participant and the Department pursuant to the Bellaire Corporation Post-Mining Treatment Trust Consent Order and Agreement entered into between the Department and the

Participant on October 1, 2010, which is attached hereto as Exhibit B (the "DEP Agreement"). Any payments made by the Participant or on its behalf to the Foundation for deposit into the Trust shall consist of cash, bonds, bank checks, bank wire transfers or other negotiable instruments acceptable to the Foundation. The Foundation shall have no responsibility for the amount or adequacy of such payment, but the Foundation shall notify the Department in writing of any deficiencies in the payments agreed to be made by the Participant whenever the Foundation has knowledge of such deficiencies. In addition to the payments and distributions specified in Paragraphs 5, 6, 7, 8 and 9 of the DEP Agreement, no later than January 25th of each year, Bellaire shall deposit into the Sub-Account an amount equal to the annual operation and maintenance costs for the Treatment System for the prior calendar year, together with a statement detailing such operation and maintenance costs. Provided that Bellaire has conducted the necessary water treatment operations, no later than February 25th of each year, an annual operation and maintenance distribution payment in an amount equal to the annual operation and maintenance costs for the prior calendar year shall be made to Bellaire from the Sub-Account. These annual deposits and distribution payments shall be independent of the payments and distributions specified in Paragraphs 5, 6, 7, 8 and 9 of the DEP Agreement.

§ 2.6 Any guarantees, including but not limited to, letters of credit, insurance, surety bonds, etc., delivered by the Participant shall be held by the Foundation until the Department either directs the Foundation to release such guarantee or portion thereof or the Department directs the Foundation to forfeit said bonds or enforce said guarantee and deposit the proceeds of such guarantee into the Trust Fund. The Foundation shall be under no obligation to pay any premiums or other costs associated therewith. Instead, all such premiums and costs, as well as the responsibility for maintaining the guarantees in full force and effect, shall remain the obligation of the Participant.

The Foundation shall take no action with respect to guarantees except as directed, in writing, by the Department, in accordance with the provisions of the Declaration of Trust, and the Foundation shall not be liable to any party for acting in accordance with such directions.

ARTICLE THREE
ADMINISTRATION

§ 3.1 The principal of the Sub-Account shall consist of:

(a) The payments or transfers to the Foundation made by the Participant pursuant to this Participation Agreement for said Sub-Account.

(b) Such payments from time to time and at any time to the Foundation as such may be directed by the Department pursuant to any agreement between the Department and the Participant.

(c) Cash, funds or property transferred from any person to the Foundation and accepted by the Foundation for said Sub-Account.

(d) Any proceeds from surety bonds which are transferred to the Foundation for said Sub-Account.

(e) All investments, reinvestments, assets or proceeds attributable to or derived from the foregoing items in this § 3.1.

(f) All earnings, accretions and profits received with respect to the foregoing items in this § 3.1.

§ 3.2 The Foundation shall hold and administer the funds of the Sub-Account in accordance with the terms and conditions of the Declaration of Trust, this Participation Agreement and the DEP Agreement.

§ 3.3 The Foundation shall distribute such amounts from the Sub-Account as the Department shall direct to pay for the operation of the Treatment System. This amount may be paid

to a third-party administrator to the Trust, who shall be responsible for paying the costs of operating the Treatment System in accordance with any instructions that may be issued by the Department in relation thereto.

§ 3.4 The Participant understands that the Trust is intended to be categorized, for federal and state income tax purposes, as a charitable trust in accordance with and under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and any implementing regulation(s) cited therein or any corresponding successor provision(s).

§ 3.5 The Participant hereby adopts the Declaration of Trust as the document which governs the administration of this Participation Agreement and the Sub-Account and directs the Foundation to hold and administer the Sub-Account in accordance with the terms and conditions of the Declaration of Trust. The Participant acknowledges that the Commonwealth of Pennsylvania, acting through the Department, is the legal beneficiary of the Trust and has all rights of a beneficiary under the law, as well as the rights granted under the Declaration of Trust. The Department shall have access to the Trust as provided under the Declaration of Trust.

§ 3.6 The funds in the Sub-Account and any other property held by the Foundation pursuant to this Participation Agreement shall not be subject to assignment, alienation, pledge, attachment, garnishment, sequestration, levy or other legal process, either voluntary, involuntary or by operation of law, by, on behalf of, or in respect of the Participant and shall not be subject or applied to the debts, obligations or liabilities of the Participant, including, without limitation, any direct action or seizure by any creditor or claimant under any writ or proceeding at law or in equity. Furthermore, the Participant shall have no legal title to any part of the Trust Fund, and it is the intention of the parties to this Participation Agreement that the Participant's entry into the Trust shall

extinguish and remove all of Participant's interest in the Trust from Participant's estate under the Bankruptcy Code or similar laws.

§ 3.7 Except as otherwise provided in the Declaration of Trust or this Participation Agreement and in the DEP Agreement, all payments made to the Foundation or deposits into the Trust by the Participant shall be irrevocable once made, and upon delivery thereof by the Participant, all interest of the Participant therein shall cease and terminate, and no part thereof, nor any income therefrom, shall be used for or devoted to purposes other than for the exclusive benefit of the Department and the Trust as provided herein and in the DEP Agreement.

§ 3.8 Within thirty (30) days of the conclusion of each quarter (March 31st, June 30th, September 30th and December 31st), the Foundation shall furnish the Participant a statement providing an accounting of all transactions involving the Sub-Account and confirming the value of the Sub-Account. Such statement shall value Trust investments at market value which shall be that market value determined not more than thirty (30) days prior to the date of statement.

§ 3.9 The Foundation shall be responsible for the keeping of all appropriate books and records relating to the receipt and disbursement of all moneys and assets under this Participation Agreement. The Foundation shall also cause to be prepared all income tax or information returns required to be filed with respect to the Trust and shall execute and file such returns. The Participant, upon request, shall furnish the Foundation with such information as may be reasonably required in connection with the preparation of such income tax or information returns.

ARTICLE FOUR **AMENDMENTS**

§ 4.1 This Participation Agreement may be amended by an instrument in writing, executed by the Participant and the Foundation, with the consent and acknowledgment of the Department, or by the Foundation and the Department in the event the Participant ceases to exist or defaults, but

during the existence of the Participant any amendment under this Section cannot in any manner affect the irrevocable nature of the Trust.

ARTICLE FIVE
NOTICES

§ 5.1 All notices, inquiries, directions or other written communications made or given pursuant to the Trust shall be given to the Participant, the Department and the Foundation by United States certified mail, return receipt requested, addressed to the following addresses and shall be deemed to be received upon the earlier of the date of the signed receipt of the certified mailing or seven (7) days following the date of mailing:

Participant: Bellaire Corporation
P.O. Box 245
Armagh, PA 15920
ATTN: Manager - Eastern Operations

With a copy to:

Bellaire Corporation
14785 Preston Road, Suite 1100
Dallas, Texas 75254-7891
ATTN: Treasurer

Foundation: Clean Streams Foundation, Inc.
c/o Jack J. Steiner
160 North McKean Street
Kittanning, Pennsylvania 16201

With a copy to:

Clean Streams Foundation, Inc.
c/o Dean K. Hunt
520 West Short Street
Lexington, Kentucky 40507-1252

Beneficiary: Pennsylvania Department of Environmental Protection
Director, Bureau of Mining and Reclamation
Fifth Floor, Rachel Carson Building
400 Market Street
Harrisburg, PA 17105-8461

§ 5.2 Any change in the above addresses shall be made by giving notice to the Participant, the Foundation and the Department at the addresses set forth in § 5.1.

ARTICLE SIX
DISPUTES

§ 6.1 Any dispute between the parties arising out of this Participation Agreement shall be resolved by arbitration provided that a notice to arbitrate is delivered to the other party within one hundred eight (180) days of the date of the first knowledge of the claiming party of the occurrence or conditions giving rise to the dispute. A failure to request arbitration within the one hundred eighty (180) day time period shall be deemed a waiver of the right to arbitrate and the parties shall then be free to litigate the dispute in accordance with the laws and procedures of the Commonwealth of Pennsylvania and its courts. The parties shall first make a diligent good faith attempt to resolve the dispute by mutual agreement or alternative dispute resolution. If unsuccessful, any request for arbitration shall be in writing setting forth in detail one claim to be arbitrated as a single issue, and the amount involved, if any, and shall specify the position of the party giving the notice, the reasons therefor and the remedy sought and shall name one qualified person to act as an arbitrator.

§ 6.2 Within thirty (30) days after a notice to arbitrate is received, the party receiving the notice shall by notice to the other party specify its position, the reasons therefor and the remedy sought with respect to such issue and shall name one qualified person to act as an arbitrator. All persons appointed to act as arbitrator (including the third arbitrator selected as provided below) shall be disinterested persons qualified by experience to hear and determine the question(s) to be arbitrated.

§ 6.3 The two (2) arbitrators so designated shall select a third arbitrator who shall be mutually acceptable to the Foundation and the Participant. If the two arbitrators cannot agree within

fifteen (15) days as to the designation of a third arbitrator, then said third arbitrator shall be selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association (“AAA Rules”). The arbitrators and the Foundation and the Participant shall hold hearings in Pittsburgh, Pennsylvania, on the matters to be arbitrated within sixty (60) days after the appointment of the third arbitrator. The arbitrators shall make such examinations and investigations as they may deem necessary and shall render their decision in writing within thirty (30) days following such hearings.

§ 6.4 The decision of the arbitrators shall be limited to one claim per arbitration, which shall be treated as a single issue and, with respect to such single issue, shall be limited to selecting either the position and remedy stated by the Foundation in its notice or the position and remedy stated by the Participant in its notice as provided above. The arbitrators shall have no power to mediate or compromise any dispute but shall have only the limited authority herein provided to review the information presented by the parties and to select the position and remedy proposed by one of the parties.

§ 6.5 The decision of the arbitrators shall be final and binding on the parties, and judgment thereon may be entered in any court of competent jurisdiction. The cost and expense for the arbitration shall be shared equally between the parties. Except as herein otherwise specified, the arbitration shall be conducted pursuant to the AAA Rules in effect at the time of such arbitration. Unless the parties mutually agree otherwise, each arbitration procedure and hearing shall be limited in scope to one dispute.

ARTICLE SEVEN **CONSTRUCTION**

§ 7.1 As used in this Participation Agreement, words in the singular include the plural and words in the plural include the singular. Words used in this Participation Agreement shall be given the meaning set forth in the Declaration of Trust, or in the absence of a definition therein, their plain

and ordinary meaning, except that, words used in a financial or investment context that are terms of art shall be given their commonly accepted meaning when used in the context of financial services and investment practices. The headings of each section of this Participation Agreement are for descriptive purposes only and shall not affect the interpretation or legal efficacy of this Participation Agreement. The "Whereas Clauses" set forth above are deemed to be incorporated into this Participation Agreement.

§ 7.2 Any provision of this Participation Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability. Such prohibition or unenforceability shall not invalidate the remaining provisions hereof; nor shall such prohibition or unenforceability in a jurisdiction render any provision invalid or unenforceable in any other jurisdiction.

§ 7.3 All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Participant, the Department and the Foundation, as well as their successors and assigns. Similarly, any request, notice, direction, consent, waiver or other writing or action taken by the Participant, the Department or the Foundation shall bind their successors and assigns.

§ 7.4 This Participation Agreement shall be construed and governed in all respects in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be executed by their respective officers or representatives duly authorized and their corporate seals to be hereunto affixed and attested as of the date first written above.

[SIGNATORIES APPEAR ON THE FOLLOWING PAGE]

With the intent of being legally bound, the following parties have executed this Participation Agreement on this 1st day of October, 2010:

THE PARTICIPANT:

THE FOUNDATION

BELLAIRE CORPORATION

THE CLEAN STREAMS FOUNDATION, INC.

K. Donald Grischow
By: K. DONALD GRISCHOW
Its: TREASURER

By: _____
Its: Chairman

STATE OF TEXAS
COUNTY OF DALLAS, to-wit:

The foregoing instrument was acknowledged before me this 1st day of October, 2010 by K. DONALD GRISCHOW, the TREASURER of Bellaire Corporation.

My commission expires: 10/19/13



Lisa K. Bankowski
Notary Public

STATE OF _____,
COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this 1st day of October 2010 by _____, the Chairman of the Clean Streams Foundation, Inc.

My commission expires: _____

Notary Public

With the intent of being legally bound, the following parties have executed this Participation Agreement on this 1st day of October, 2010:

THE PARTICIPANT:

THE FOUNDATION

BELLAIRE CORPORATION

THE CLEAN STREAMS FOUNDATION, INC.

By: _____
Its: _____

By: Wayne Masterman
Its: Chairman

STATE OF _____
COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this 1st day of October, 2010 by _____, the _____ of Bellaire Corporation.

My commission expires: _____

Notary Public

STATE OF Kentucky,
COUNTY OF Fayette, to-wit:

The foregoing instrument was acknowledged before me this 1st day of October 2010 by Wayne Masterman, the Chairman of the Clean Streams Foundation, Inc.

My commission expires: 3-1-2014

[Signature]
Notary Public

ID 414889

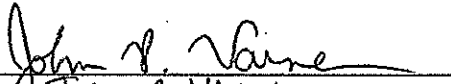


CONSENT AND ACKNOWLEDGMENT

The Pennsylvania Department of Environmental Protection (the "Department") hereby consents to Bellaire Corporation, as a Participant, entering into this Participation Agreement pursuant to the Post-Mining Treatment Trust Consent Order and Agreement entered into between the Participant and the Department on October 1, 2010 and acknowledges the Department's status as the beneficiary of the Trust. This Consent and Acknowledgement is intended to be evidence of the Department's consent and acknowledgment of the terms and conditions set forth in this Participation Agreement, as well as the powers and authorities granted to the Department under this Participation Agreement.

BENEFICIARY:

THE PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION


By: JOHN P. VARNER
Its: DISTRICT MINING MANAGER

EXHIBITS

Exhibit A: Description Of Treatment System And Components Of Treatment Trust

Exhibit B: DEP Agreement

DESCRIPTION OF TREATMENT SYSTEM AND COMPONENTS OF TREATMENT SYSTEM

In 1989, Bellaire Corporation ("Bellaire") applied for the necessary permits from the Pennsylvania Department of Environmental Protection (the "Department") to construct and operate a new mine drainage treatment facility known as the Hutchinson Hollow Treatment Plant. As set forth in the table on the next page, the principal components of the Hutchinson Hollow Treatment Plant are a submersible pump, PVC pipe, a pre-aeration basin, aeration basins, mixing tanks, and a static thickener. Raw water is pumped from the Conemaugh No. 1 Mine from a withdrawal well. The raw water flows through a ten inch diameter PVC pipe into the pre-aeration basin. Raw water is also pumped via the Coal Refuse Disposal Area ("CRDA") Pipeline from the Charles CRDA into the pre-aeration basin. The raw water from the Conemaugh No. 1 Mine and the CRDA then flows into a flash mixing tank and then into aeration basins and the static thickener for removal of solids. Solids are recycled for alkaline addition and the Waste sludge is disposed of into two sludge disposal wells. Treated effluent is discharged into the Unnamed Tributary at Outfall 001. The discharge of treated effluent from the Hutchinson Hollow Treatment Plant on Bellaire's CMAP No. 32891701 is authorized by NPDES Permit No. PA0124591. The Hutchinson Hollow Treatment Plant including all components, is situated on land owned by Bellaire.



PUMPS

Mine Water Feed
Sludge Disposal (2)
Motor (2)
Sludge Recycle
Clear Water Recycle

LIGHTNIN MIXERS

Pre-aeration
Motor
Flash Tank
Motor
Sludge Tank
Motor
Aeration Tank(2)
Motor(2)
Slurry
Motor

BLOWERS

Pre-Aeration
Motor
Aeration(2)
Motor(2)

OTHER

Lime Silo – 100 Ton
Lime Feeder and Vibration
Electronic Lime Controller
Tank Steel Structure
Thickener Steel Structure
Thickener Tank – 1.5 MGal
Slurry Tank – 3 KGal
Sludge Tank – 12 KGal
Mixing Tank – 30 KGal
Aeration Tank(2) – 42 KGal
Sly Dust Collector
Thickener Drive & Lift
Electrical Controls
Control Building
Pump Building
Floc Mixing Tank -500 Gal
Floc Mixer
Floc Mixing Pump
Floc Transfer Pump
Floc Delivery Pump
Floc Storage Tank 1.6 KGal