

PARTICIPATION AGREEMENT
FOR THE CLEANS STREAMS FOUNDATION, INC. TRUST

This Participation Agreement ("Participation Agreement") entered into this th 30 day of March, 2009, by and between IP HARMAR HOLDINGS, LLC ("IPHH"), a Delaware limited liability company, with its principal place of business at 2929 Allen Parkway, Suite 2200, Houston, Texas 77019 (the "Participant"), and the CLEAN STREAMS FOUNDATION, INC. ("Trustee" or "Foundation"), a Pennsylvania nonprofit corporation, with its registered place of business at 160 North McKean Street, Kittanning, Pennsylvania, 16201.

WHEREAS, the Participant wishes to provide funds or other assets and/or financial guarantees to assure that funds will be available in the future for the operation of certain treatment systems, for the prevention of pollution, and for the protection of natural resources the environment, and the health and welfare of the public; and

WHEREAS, the Trustee has established a Declaration of Trust, dated April 7, 2001 ("Declaration of Trust") that establishes a Trust to assure that funds are available to the Commonwealth of Pennsylvania in the future to operate and maintain treatment systems, to prevent pollution, and to protect natural resources from the adverse impacts of untreated discharges into waters of the Commonwealth (the "Trust"); and

WHEREAS, the Trustee has agreed and is willing to accept the Participant's funds or other assets and/or financial guarantees and 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 parties as set forth herein, and with the intention of being legally bound hereby, the parties agree as follows:

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" has the meaning given such term in the preamble.

§1.4 "Treatment System" means the certain treatment system and activities which are more particularly described in Paragraphs N and O of the IPHH Post-Mining Treatment Trust Consent Order and Agreement dated ~~March~~ ^{April} 13, 2009 between IPHH and the Department ("IPHH PMTT CO&A") for which the Participant has provided funds and/or financial guarantees to be held in trust by the Foundation as an alternate financial assurance mechanism which provides for the future treatment of discharges for the public purpose of protecting the environment and the health and welfare of the public. A copy of the IPHH PMTT CO&A is attached hereto as Exhibit A.

§1.5 "Trustee" means the Foundation acting as trustee under the terms and provisions of the Declaration of Trust and a Participation Agreement entered into with a Participant.

ARTICLE TWO
PARTICIPATION IN THE TRUST

§2.1 The Participant agrees to provide certain funds to be held by the Trustee for purposes of assuring that funds are available in the future for the operation of a certain Treatment

System, as defined herein, for the prevention of pollution, and for the protection of natural resources.

§2.2 The Trustee agrees to establish within the Trust Fund a Sub-Account designated as the "IPHH Treatment Trust" (hereinafter referred to as the "IPHH Treatment Trust" or the "Sub-Account").

§2.3 The Participant agrees to make an initial payment or transfer to the Trust of \$404,460.00 within 7 days of its execution of this Participation Agreement. This Agreement shall be void if the initial payment is not made within 15 days of execution.

§2.4 The Participant agrees to make total payments or transfers to the Trust as provided in the IPHH PMTT CO&A and any amendments thereto.

§2.5 Any payments made by the Participant or on its behalf to the Trustee for deposit into the Trust shall consist of cash, bank checks, bank wire transfers, negotiable instruments, or other property acceptable to the Trustee. The Trustee shall have no responsibility for the amount or adequacy of such payment, but the Trustee shall notify the Department in writing of any deficiencies in the payments agreed to be made by the Participant whenever the Trustee has knowledge of such deficiencies.

§2.6 Within 60 days of the date of this Agreement, IPHH will convey to the Trustee, and its agents, contractors, successors and assigns: (1) an easement to access the real property associated with AMD water treatment at the Harmar CRDA, and (2) all personal property related to the Treatment System as identified in Exhibit B attached hereto, for the sum of \$1.00. Trustee will convey to IPHH, and its agents, contractors, successors and assigns a perpetual license to use, operate, maintain, and construct or reconstruct the treatment system personal property.

Trustee and its agents, contractors, successors and assigns may use the right of access in the event IPHH does not meet its obligations to treat AMD at the Harmar CRDA.

ARTICLE THREE
ADMINISTRATION

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

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

(b) Such payments from time to time and at any time to the Trustee 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 Trustee and accepted by the Trustee for said Sub-Account.

(d) Any proceeds from surety bonds which are transferred to the Trustee 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 Trustee 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 IPHH PMTT CO&A.

§3.3 The Trustee shall distribute such amounts from the Sub-Account as the Department shall direct solely to pay for the operation of the Treatment System or Treatment

Systems. This amount shall 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 hereby adopts the Declaration of Trust as the document which governs the administration of this Participation Agreement and the Sub-Account and directs the Trustee 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 therein.

§3.5 The funds in the Sub-Account and any other property held by the Trustee 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.

§3.6 Except as otherwise provided in the Declaration of Trust or this Participation Agreement, all payments made to the Trustee 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.

§3.7 The Trustee shall at least quarterly 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.

§3.8 The Trustee 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 Agreement. The Trustee 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. Each Participant, upon request, shall furnish the Trustee 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 Trustee, with the consent and acknowledgment of the Department, or by the Trustee and the Department in the event Participant ceases to exist or defaults, but during the existence of the Participant any amendment under this paragraph 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 Trustee by certified mail, return receipt requested, addressed to the following addresses, and shall be deemed to be received upon the earlier of the date of signed receipt of the certified mailing or seven (7) days following the date of mailing:

Participant: IP Harmar Holdings, LLC
2929 Allen Parkway, Suite 2200
Houston, TX 77019
Attn: Vice President, Environment, Health and Safety

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

Beneficiary: Pennsylvania Department of Environmental Protection
District Mining Manager
Greensburg District Mining Office
8205 Route 819
Greensburg, PA 15601

§5.2 Any change in the above addresses shall be made by giving notice to all parties to this Participation Agreement.

ARTICLE SIX
DISPUTES

§6.1 In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation or a method of alternative dispute resolution. No litigation shall be commenced without a certification by an authorized officer, employee, or agent of any individual party that the dispute cannot be resolved by negotiation or alternative

dispute resolution provided in writing at least 20 days before commencing legal action.

§6.2 A party receiving such notice shall have 10 days after receipt of said notice to demand that said dispute be resolved by binding arbitration. If arbitration is requested, the dispute shall be resolved in accordance with the arbitration rules of the American Arbitration Association then in effect without regard to the date of execution of this Participation Agreement.

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.

§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 Trustee, 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 Trustee 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.

§7.5 Counterpart Signatures

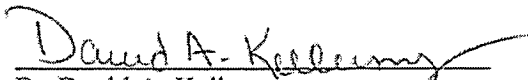
The parties agree to execute this Participation Agreement by counterpart signatures transmitted via facsimile.

§7.6 Execution of Participation Agreement

This Participation Agreement may be signed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Facsimile signatures shall be valid and effective.

IN WITNESS WHEREOF, the parties 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.

IP HARMAR HOLDINGS, LLC


By David A. Kellermeyer
Vice President, Environment, Health & Safety

TRUSTEE:

THE CLEAN STREAMS FOUNDATION, INC.

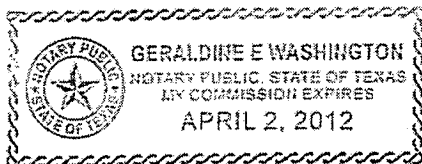

By Wayne Masterman
Chairman, Board of Directors

STATE OF Texas,
COUNTY OF Harris, to-wit:

The foregoing instrument was acknowledged before me this 26th day of
March, 2009, by David A. Kellermeier the Vice President of IP
HARMAR HOLDINGS, LLC.

My commission expires April 2, 2012

Geraldine E Washington



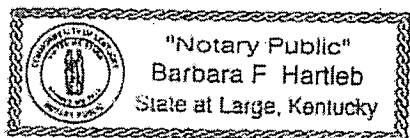
Notary Public

STATE OF Kentucky,
COUNTY OF Fayette to-wit:

The foregoing instrument was acknowledged before me this 26th day of
March, 2009, by Wayne Masterman, the Board Chairman, of the CLEAN
STREAMS FOUNDATION, INC.

My commission expires July 10, 2010.

Barbara F Hartleb



Notary Public

CONSENT AND ACKNOWLEDGMENT

The Department of Environmental Protection hereby consents to Participant entering into this Participation Agreement pursuant to the IPHH PMTT CO&A between the Participant and the Department dated March __, 2009 and acknowledges the Commonwealth of Pennsylvania's and the Department's status as the beneficiary of the Trust and to evidence its consent and acknowledgment of the terms and conditions set forth herein, as well as the powers and authorities granted to the Department hereunder.

BENEFICIARY:

THE DEPARTMENT OF ENVIRONMENTAL PROTECTION
COMMONWEALTH OF PENNSYLVANIA

By *John R. Rontem*
Its *DISTRICT MINING MGR.*

EXHIBIT "A"

**POST-MINING TREATMENT TRUST CONSENT ORDER AND AGREEMENT
BETWEEN THE DEPARTMENT AND IPHH**