Luzerne Township, Fayette County having post-mining districts:

C. Luzerne is the premises of the following four (4) inactive coal mines ("Mines") located in previously conducted coal mining activities in the Commonwealth of Pennsylvania by the surface mining method. Nevigh Road, Nevigh Island, Pennsylvania. Shumanco's corporate affiliate, Luzerne Coal Corp. ("Luzerne") is a Pennsylvania corporation with a mailing address of 200 Shumanco Incoorporated, (collectively, the "Parties") and between the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department") and Department of Environmental Protection ("Department") and

This Consent Order and Agreement is entered into this day of 2000 by and for the benefit of Luzerne Township, Fayette County, Shumanco Incoorporated.

In the matter of

DEPARTMENT OF ENVIRONMENTAL PROTECTION
COMMONWEALTH OF PENNSYLVANIA

POSTMINING DISCHARGE TREATMENT TRUST CONSENT ORDER AND AGREEMENT

Alternative Financial Assurance Mechanism:

Luzerne Mine: Smp 3373510
33718SM2
Colliers Township Mine: Smp 26810123 &
New Broadwater Mine: Smp 26713049
Old Broadwater Mine: Smp 3373512

Mines & Permit Nos.:

Shumanco Incoorporated
DISCHARGES ARE SET FORTH IN THE ATTACHED EXHIBIT A-1 AND EXHIBIT A-2, RESPECTIVELY.

DESCRIPTIONS OF THE ORIGINAL AND SUBSEQUENT SYSTEM SCHEMATA FOR THE BROADWATER MINE ARE ATTACHED HERETO. A MAP OF THE BROADWATER MINE SHOWING THE LOCATION OF THESE TWO (2) DISCHARGES IS ATTACHED HERETO.

MINING DISCHARGES EXIST ON THE BROADWATER MINE WHICH HAVE BEEN IDENTIFIED AS THE "PORTER" AND "THOMAS" DISCHARGES. A MAP OF THE BROADWATER MINE SHOWING THE LOCATION OF THESE TWO (2) DISCHARGES IS ATTACHED HERETO.

NEW BROADWATER MINE: THE BROADWATER MINE HAS BEEN RETAINED AND SUCCESSFULLY REVEALGED WITH GRASSES AND LEAVES. TWO (2) POST-1970 BROADWATER MINE MINING DISCHARGES EXIST ON THE BROADWATER MINE WHICH HAVE BEEN IDENTIFIED AS THE "PORTER" AND "THOMAS" DISCHARGES. A MAP OF THE BROADWATER MINE SHOWING THE LOCATION OF THESE TWO (2) DISCHARGES IS ATTACHED HERETO.

COUNTY AND SPATIAL DISCHARGES ARE SET FORTH IN EXHIBIT A-1 AND EXHIBIT A-2, RESPECTIVELY.

COUNTY AND SPATIAL DISCHARGES ARE SET FORTH IN EXHIBIT A-1 AND EXHIBIT A-2, RESPECTIVELY.

NEW BROADWATER MINE: LAZARNE OPERATED THIS SURFACE COAL MINE IN LAZARNE TOWNSHIP.

OLD BROADWATER MINE: LAZARNE OPERATED THIS SURFACE COAL MINE IN LAZARNE TOWNSHIP.

THE FOLLOWING IS A BRIEF DESCRIPTION OF EACH OF THE MINES IDENTIFIED IN PARAGRAPH C:

<table>
<thead>
<tr>
<th>PERMIT NO.</th>
<th>NAME</th>
<th>MINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP 37737M10</td>
<td>Lazzarne Mine</td>
<td></td>
</tr>
<tr>
<td>SMP 37737M27</td>
<td></td>
<td>Collins Young Mine</td>
</tr>
<tr>
<td>SMP 26810123</td>
<td>and</td>
<td></td>
</tr>
<tr>
<td>SMP 26713049</td>
<td>New Broadwater Mine</td>
<td></td>
</tr>
<tr>
<td>SMP 37715M24</td>
<td>Old Broadwater Mine</td>
<td></td>
</tr>
</tbody>
</table>
In accordance with the bonding requirements set forth in the Surface Mining Act, and as a precondition of obtaining the surface mining permits for the mine, the lessee posed security bonds.

The lessee has executed the total annual costs associated with implementation of the Passive Treatment System Report as well as in Exhibits A.1 through A.7.

Each of the post-mining disturbances identified in Paragraph D is currently being collected and treated by passive treatment systems approved by the Department. (Passive Treatment System Report) as well as in Exhibits A.1 through A.7.

Passive treatment systems schemes for the Limestone discharge is set forth in the attached Exhibit A.7.

Limestone Mine: Limestone operated this surface coal mine in Lutzman Township, Fayette County from which coal was previously extracted in accordance with SWP 3373SW10 prior to 1985. The Limestone Mine has been reclaimed and successfully reseeded with grasses and legumes.

Two (2) post-mining disturbances exist on the Collins Young Mine, which have been identified as the "Limestone Mine" and "Limestone River" disturbances. A map of the Collins Young Mine showing the location of these two (2) disturbances is attached here to and labeled Exhibit A.5. Descriptions of the current treatment system schematics for the disturbances is attached here to and labeled Exhibit A.6. Descriptions of the current treatment system schematics for the projectile bond is attached here to and labeled Exhibit A.7.
<table>
<thead>
<tr>
<th>Bond Amount</th>
<th>Total Bond Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,398.56</td>
<td></td>
</tr>
<tr>
<td>$0.7370</td>
<td>103,497,043</td>
</tr>
<tr>
<td>$4.125</td>
<td>101,906,469</td>
</tr>
<tr>
<td>$3.245</td>
<td>101,721,800</td>
</tr>
<tr>
<td>$477.69</td>
<td></td>
</tr>
<tr>
<td>$171.60</td>
<td>924,648.84</td>
</tr>
<tr>
<td>$1.70</td>
<td>31,444,330,326</td>
</tr>
<tr>
<td>$1.47</td>
<td>31,428,489</td>
</tr>
<tr>
<td>$4.26</td>
<td>11,258,264</td>
</tr>
<tr>
<td>$4.69</td>
<td>3,049,607</td>
</tr>
<tr>
<td>$7.42</td>
<td>325,495,741</td>
</tr>
<tr>
<td>$3.7350</td>
<td>33,490,182,634</td>
</tr>
<tr>
<td>$184.00</td>
<td>31,400,000</td>
</tr>
<tr>
<td>$1.35</td>
<td>3,033,038</td>
</tr>
<tr>
<td>$2.16</td>
<td>1,223,000</td>
</tr>
<tr>
<td>$19.29</td>
<td>33,453,385</td>
</tr>
<tr>
<td>$6.30</td>
<td>3,426,000</td>
</tr>
<tr>
<td>$4.10</td>
<td>334,101,458,432</td>
</tr>
<tr>
<td>$7.71</td>
<td>103,397,021</td>
</tr>
<tr>
<td>$6.29</td>
<td>103,397,000</td>
</tr>
<tr>
<td>$8.85</td>
<td>101,906,477</td>
</tr>
</tbody>
</table>

- **Travellers**
- **G.H. Broadwater**
- **Collins Young**
- **New Broadwater**

*Along with the corresponding bond value balance.*
use of a trust fund established in accordance with the standards set forth in the Consent Order and Agreement.

The following is a summary of the developments to the financial assistance for each of the Mines:

1. The (10) Survey Bonds upon any of this Consent Order and Agreement

Reports, and his assignment of the Collins Young Mine, the Department has agreed to release the aforementioned

Based on the Department's review of the information provided in the Compliation.

3. Identified in Paragraph D3 herein (the "2. (Z) post-mining discharge")

Bonds identified in Paragraph 1.1 is hydrologically connected to either of the two (2) post-mining discharge

The Department has determined that none of the areas associated with the ion (10) Survey

Local amount of these ion (10) Survey Bonds is: 5283.66

35415713BCA, 3540916BCA, 354062BCA, 15262988, 15252296, 15252378, 3126519, 31265990, and 354101BCA. The

Following ion (10) Survey Bonds associated with the Collins Young Mine: 35415713BCA, 3540916BCA,

Shenango has filed completion Reports with the Department for the areas covered by the

Collins Young Mine:

1. Below are the Department's findings relative to ion (10) of the Survey Bonds associated with the

and maintenance of the Passive Treatment Systems, and secure the release of the Survey Bonds.

alternative financial assurance mechanism as the irreplaceably backed enforceable contract for the long-term operation

Shenango currently pays the premiums for the Survey Bonds. Shenango would like to provide an
The Parties have discussed the need to obtain accurate and timely information on the costs of

<table>
<thead>
<tr>
<th></th>
<th>$924,597</th>
<th>$847,922</th>
<th>$941,121</th>
<th>$548,925</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lamison</td>
<td>103,585</td>
<td>$7370</td>
<td>110,955</td>
<td>68,985</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(as detailed in bonds as required during the fiscal year following the fiscal year covered)</td>
<td>139,960</td>
<td>993,940</td>
<td>2236,069</td>
<td>147,269</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collins Yone</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadwater</td>
<td>388,744</td>
<td>637,155</td>
<td>248,411</td>
<td>160,040</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old</td>
<td>6798</td>
<td>186,492</td>
<td>254,420</td>
<td>165,223</td>
</tr>
</tbody>
</table>

| Survey Amount and Equivalent Amount Between Current Survey Bond and Current Equivalent Amount | 163,565 | 138,797 | 235,533 | 168,190 |
| Established Amount | 163,565 | 138,797 | 235,533 | 168,190 |
| Trust Fund Established Amount | 163,565 | 138,797 | 235,533 | 168,190 |

"Paid" as defined in Paragraph 6.b.
Paragraph 4 of this Agreement.

The determination of costs and expenses of treatment required by
Accounting

Definitions

and Assessment in any manner or procedure.

The Parties do not authorize any other person to use the findings in this Consent Order
validity of these findings.

any manner or procedure involving Shenhago and the Department, Shenhago shall not challenge the accuracy of

Shenhago agrees that the findings in Paragraphs A through M are true and correct and, in

Findings

provided by those熟悉 for failure to comply with an order of the Department.

in Paragraphs A through M of this Consent Order and Agreement shall subject Shenhago to all penalties and remedies

and Section 1917-A of the Administrative Code, 71 P.S. § 210-17. The failure of Shenhago to comply with any

and Section 4 of the Clean Streams Law, 35 P.S. § 691.5; Section 4 of the Surface Mining Act, 52 P.S. § 1393.4 -

1. This Consent Order and Agreement is an Order of the Department authorized and issued pursuant

By the Department and AGREED to by Shenhago as follows:

after full and complete rejection of all matters set forth in this Consent Order and Agreement and

ORDER

calculate and adjust the proper size of the alternative financial assurance mechanism as described below.

In establishing future annual costs associated with the Passive Treatment Systems, the Parties
Systems

Present value of the future cost of O&M of the Passive Treatment System and maintenance ("O&M") of the Passive Treatment System. The equation is:

\[ PV = \frac{FV}{(1 + r)^n} \]

where:

- \( PV \) = Present Value
- \( FV \) = Future Value
- \( r \) = Interest Rate
- \( n \) = Number of Periods

This Consent Order and Agreement

with the direction of the Department to a person and in an amount specified by the Department and as provided by P. Distribution of Payment

The trustee's disbursement of money from the trust made at the

Q. Compliance with Federal, State, and Local Laws

The Department's Compliance Tracking System, as used in Paragraph 2(b) of this Consent Order and Agreement, does not include the Department's Bureau of Air

R. Compliance with Federal, State, and Local Laws

The Department's Compliance Tracking System, as used in Paragraph 2(b) of this Consent Order and Agreement, does not include the Department's Bureau of Air

S. Compliance with Federal, State, and Local Laws

The Department's Compliance Tracking System, as used in Paragraph 2(b) of this Consent Order and Agreement, does not include the Department's Bureau of Air

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W. Compliance with Federal, State, and Local Laws

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X. Compliance with Federal, State, and Local Laws

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Y. Compliance with Federal, State, and Local Laws

The Department's Compliance Tracking System, as used in Paragraph 2(b) of this Consent Order and Agreement, does not include the Department's Bureau of Air

Z. Compliance with Federal, State, and Local Laws

The Department's Compliance Tracking System, as used in Paragraph 2(b) of this Consent Order and Agreement, does not include the Department's Bureau of Air
Shenanigans shall keep separate records for the Passive Treatment Systems at each of the

and Agreement is $16.69.

annual amount of costs and expenses for the Passive Treatment Systems as of the date of entry of this Coistent Order

individual items shall be recorded and reported for each General Category. As noted in Paragraph 1 above, the total

not limited to: (1) Material; (2) Labor; (3) Maintenance; (4) Sampling and Analyses; and (5) Auxiliary Costs. The

Passive Treatment Systems for each year. The various costs factors fall into several General Categories, including, but

a. shenanigans shall keep accurate financial records of all the costs and expenses of the


the face amount of bonds currently held by the Trust in the Primary Trust Account.

Primary Trust Valuation. The cash, cash equivalents, investments at market value and

annual O&M costs of the Passive Treatment Systems.

Primary Trust Account. The sub-account within the Trust that is primarily used to finance

Passive Treatment Systems as determined by the Formula.

K. Primary Trust Valuation

116% of the present value of the future cost of O&M of the

Passive Treatment Systems as determined by the Formula.

j. Primary Basis Valuation

100% of the present value of the future cost of O&M of the

This value will remain the same unless the Parties mutually agree otherwise.

i. Initial Rate (assumed to be 3.1% or 0.031)

J

Expected annual earnings/interest rate (assumed to be 8.43% or 0.0843)

E

Actual Treatment Cost

A
a. Shemagho shall establish within the Trust two sub-accounts: a sub-account designated as the Primary Trust Account and a sub-account designated as the Capital Improvement Account.

b. Shemagho shall establish as the Trust’s Passive Treatment Systems, and to meet their obligations. The Trust shall also provide for the realization of the location of the existing or newly established passive treatment systems, and to meet their obligations, to the extent that the location is vacated, and to meet the obligations of the Passive Treatment Systems, for a period not exceeding 7 years, and to provide financial resources to the Department and the Citizens of the Commonwealth to complete the necessary work.

5. Treatment Tax

Sections 5.8 and 5.9 of the Passive Treatment Systems, and to meet the obligations of the Passive Treatment Systems.

In the event of a dispute about the costs and expenses of treatment incurred by Shemagho, the period during which Shemagho is operating the Passive Treatment Systems, Shemagho's obligation to keep records and provide the accounting shall continue for the records of the costs and expenses of annual treatment as reported in the accounting.

Financial officers of Shemagho and by the President of Shemagho shall be responsible for the accuracy and completeness of the accounting, and the records kept by Shemagho.

Except as set forth in this Paragraph 4, Shemagho shall provide an annual accounting.
Accordingly, the Department has agreed to retain the excess Surplus Bonds (totaling $77,205) to be deposited upon the
bonds as described in Paragraph K exceeds the amount needed to fund the Passive Treatment Systems by $77,205.

In the event of default in Surplus Bond obligations, the value of the Surplus Bonds held by the Department at the release of
this Agreement are set forth in Paragraph K, and in recognition of the aforementioned exchange Ratio of

b. The Parties agree that at the time of any of this Consent Order and Agreement, the

7. Assignment of Bonds: Replacement of Surplus Bonds

This Agreement, the Passive Treatment System Report identifies the amount necessary to fully fund each of the Passive
Treatment Systems, as listed in the Table below. Based on the

primary Trust Account, plus the costs of repayment of Passive Treatment Systems, as provided in the

Trust and the proceeds of this Consent Order and Agreement, the Trust will be considered

b. Initial Payment to the Primary Trust Account. Unless modified by the Parties in

6. Funding of the Primary Trust Account

Department's, any of this Consent Order and Agreement, Surplus Bonds shall deposit an amount of $10,000 into the

Nothing in the schedule set forth above is intended to prejudice Shennago from fully funding the Trust at any time in the event that Shennago fully funds the Trust prior to the completion of the

Shennago's remaining Survey Bonds covering the Mines.

Shennago's Survey Bonds obligation by an additional $180'000.

When the Trust is fully funded as described in Paragraph 6. (approximately

When the balance of the Trust equals or exceeds $460'000 (approximately

Shennago's obligation by an additional $180'000.

When the balance of the Trust equals or exceeds $490'000 (approximately

Shennago's obligation by an additional $180'000.

When the balance of the Trust equals or exceeds $740'000 (approximately

Shennago's obligation by $150'000.

Paragraph 6. (a), the Department shall reduce Shennago's total Survey Bonds

Shennago's Initial Payment into the Primary Trust Account (as described in

To adjust the amount of Survey Bonds held as financial assurance for the Passive Treatment Systems:

In recognition of the above principles, the Parties have agreed to the following schedule:

c.
of the new Primary Basis Valuation.

using that year's costs and expenses. A new Primary Target Valuation will then be determined by calculating 16% of the new Primary Basis Valuation. The formula and the newly determined annual treatment cost will then be compared to the annual treatment cost the Department had calculated for the current year or if greater than or equal to 110% of the calculated treatment cost, the Department will be required to make an additional contribution into the Primary Trust Account in an amount equal to the difference between the Primary Trust Valuation and the Primary Trust Treatment Cost, whichever is less.

4. All calculations under this paragraph shall be based on values as determined on the Annual Anniversary Date and before any Distribution Payment.

9. Adjustments to the Primary Target Valuation for Deviations Between Actual Treatment Cost and Calculated Treatment Cost.

fully funded the Trust. This provision does not apply until September 1. This provision is less except as provided in Paragraph 1.4. The provision does not apply until the Primary Trust Valuation and the Primary Basis Valuation are less than the Primary Trust Treatment Cost, whichever is less.

Calculated Treatment Cost.

greater than or equal to the Primary Basis Valuation, then no Distribution Payment shall be made and no additional contribution shall be required. If the Primary Trust Valuation is greater than or equal to the Primary Target Valuation, but

b. If at the end of any year after the Trust is fully funded, the Primary Trust Valuation is

Annual Anniversary Date.

a. All calculations under this paragraph shall be based on values as determined on the
For a 7-year period from the date of any of this Consent Order and Agreement, improvement accounts shall represent the recapture/repayment costs necessary to maintain in Preservation Treatment System and at any other time required by this Consent Order and Agreement, the required annual balance of the Capital

b. Upon establishment of the Trust, and annually thereafter for so long as the Trust exists,

a separate and distinct fund,

Trust accounts for payment of assessments, shall be created and accounted for and reported separately as if they are assets of

improvement accounts. Assets of the Capital Improvement Account may be combined with assets of the primary

improvement account which shall be credited to the Trust and shall be designated as the Capital

11. Capital Improvement Account

\[
\text{Primary Target Valuation} = \text{Primary Target Valuation} \\
\text{TR} = \text{Primary Target Valuation} \\
\text{TR} = \text{Primary Target Valuation} \\
\text{DP} = \text{Distribution Payment} \\
\text{Where:} \\
\text{DP} = \text{TR} - \text{new TR} \\
\text{DC} = \text{TR} (1 - \text{new TR}) \text{ (new A/ prior A)}
\]

Following Formula:

The amount of such Distribution Payment shall be determined by the

Primary Target Valuation, whichever is less. The amount of such Distribution Payment will be equal to the

difference between the Primary Target Valuation and the newly calculated

Valuation, or in an amount equal to the difference between the Primary Target Valuation and the newly calculated

such Distribution Payment will be equal to the percentage change in Actual Treatment Cost times the Primary Target

Distribution Payment is based on a reduced Actual Treatment Cost and the Primary Target Valuation is the

Paragraph 9 above is based on a reduced Actual Treatment Cost and the Primary Target Valuation which has been adjusted under

b. If the newly calculated Primary Target Valuation is greater than the

Paragraph 9 above is less than the Primary Target Valuation, no Distribution Payment shall be made under this

a. If the newly calculated Primary Target Valuation which has been adjusted under
For each planned capital replacement component or activity, the future value of
variables used in Paragraph 11.C.4.a above.

expected annual component interest rate used in Paragraph 11.C.4.a above, and all other
the future value calculated in Paragraph 11.C.4.a above, a rate equal to the

"present value" of the first replacement or activity will be calculated using
For each planned capital replacement component or activity, the present value

activity, and a beginning of period payment.

payment periods equal to the number of years until the next replacement or
a current value equal to the current cost, a rate of 3%, percent the number of
the "present value" of the first replacement or activity will be calculated using
For each planned capital replacement component or activity, the future value

be determined.

number of years until the next replacement component or activity is needed will
For each planned capital replacement component or activity, the estimated

If the Passover Treatment System has been in operation for at least one year, then

between when the activity is needed will be determined.

number of years in the life cycle of the component or the number of years
For each planned capital replacement component or activity, the current cost of

that component or the cost to complete that activity will be determined.
For each planned capital replacement component or activity, the following

To determine the required balance in the Capital Improvement Account, the following
calculation involving the Capital Improvement Account.

Consent Order and Agreement, and shall be used in making all future
Paragraph 13. Such calculation shall be deemed an amendment to this
an annual basis and each line a Disposition Payment is commenced under
the Required balance in the Capital Improvement Account shall be recaptured

and all above.

Consent Order and Agreement was entered as calculated in Paragraph 11.6.
compensation or activity expected to occur within 75 years from the year this
shall be equal to the sum of all Present Values for each capital replacement
the Required balance in the Capital Improvement Account for the current year

Paragraph 11.6, above.

for the number of payment periods which shall be determined in the manner to
calculated using the same values as in Paragraph 11.6, above except the value
of the second and each subsequent capital replacement or activity shall
For each planned capital replacement component or activity, the Present Value

Paragraph 11.6, above.

the year this Consent Order and Agreement was entered.
replacement or activity is expected to occur that does not exceed 75 years from
maintain until the number of periods is equal to the number of years until the last
in the life cycle. The Future Value of each replacement will be calculated in the
equal to the number of years until the first replacement plus three times the years
expected life cycle. The number of periods for the first replacement will be
until the next replacement or activity plus two times the number of years in the
payment periods for the third replacement will be equal to the number of years in the
expected life cycle as determined in Paragraph 11.6, above. The number of
years until the next replacement or activity plus the number of years in the
periods for the second replacement or activity will be equal to the number of
authorized under Paragraphs 8, 10 and 13 above, such surplus funds may be used for the following purposes:

annual balance referred to in Paragraph 1.2 above, then in addition to Distribution Payments to Shannego Account or if the balance in the Capital Improvement Account exceeds the required balance as indicated on the

If the Primary Trust Valuation exceeds the Primary Target Valuation in the Primary Trust Improvement Account.

14. Miscellaneous Distribution Payments from the Primary Trust Account and the Capital Improvement Account

Appropriate Distribution Payments must be calculated to determine the required balance after the proposed Distribution Payment, and to determine the

compounded under this Paragraph or Paragraph 1.4 below, the required balance in the Capital Improvement Account

shall be made, which may be sooner or later than the projected time. The amount of

replacement component or activity is made as referred to in Paragraph 1.1 above. The Capital Replacement and

a. A Distribution Payment shall be made to Shannego any time a planned capital

13. Distribution Payments from the Capital Improvement Account

gained to the difference between the Primary Trust Valuation and the Primary Target Valuation, whichever is less.

such transfer will be equal to the difference between the required balance and the current balance of in an amount

Trust Account shall be made if the current balance in the Capital Improvement Account is less than the required

than the Primary Target Valuation, then a transfer of funds to the Capital Improvement Account from the Primary

Transfer of Funds to the Capital Improvement Account

12.
Access To Mines

16. Trust and (5) address any other issues that may concern the Commission, Order and Agreement or its implementation.

Target Valuation, the Calculated Treatment Cost, and Distribution Payments from additional payments into the
Passive Treatment Systems or a change in the fiscal year: (4) calculate, notify, and adjust the size of the Primary
Systems and any change in the fiscal year; (5) resolve any issues which arise as a result of the performance of the
district the accountable for the then completed fiscal year; (6) review the efficiency of the Passive Treatment
delivery to the Department or the accountable for such other day as may mutually agree to; (7) review and
report the department in any year, the Parties will meet on or before the 30th day following

Annual Meeting

the quality of a discharge, provided the Department first approves such activities.

used by Shenhua to implement remediation or operational activities, to reduce or eliminate a discharge, to improve

d. Surplus funds in the Capital Improvement Account of the Primary Trust Account may be

Treatmetn Technologies is first approved by the Department

used by Shenhua to enhance implementation of a new treatment technology. Provided the application of such

c. Surplus funds in the Capital Improvement Account of the Primary Trust Account may be

calculated cost of the capital improvement as indicated on the annual balance reported in Paragraph 1.1 above.

used by Shenhua to pay for unreimbursed capital expenditures or accelerated capital expenditures that exceed the

b. Surplus funds in the Capital Improvement Account of the Primary Trust Account may be

the Primary Trust Valuation.

Shenhua's obligations under Paragraph 8.c. If additional funds are needed so that the Primary Trust Valuation equals

Paragraph 8.d. However, the amount of surplus funds transferred to the Primary Trust Account may exceed

Treatmetn Technologies to reduce or completely satisfy Shenhua's obligation to make a contribution payment under

a. Surplus funds in the Capital Improvement Account may be transferred to the Primary
In addition to other applicable remedies, shall pay a civil penalty in the amount of $100,00 per day for each violation, in the event Shennago fails to comply in any manner with any term or provision of

19. Shennago’s Continuing Obligation

Comply with the terms and conditions required by 25 P.A. Code § 66.168(9). The public liability insurance shall also

b. In addition to the requirements of paragraph 17, the public liability insurance shall also

Commonwealth of Pennsylvania shall be held as additional insureds on the policy.

Shennago shall maintain in effect public liability insurance coverage for the operation of the Passat Treatment Systems, the Trustee and the

17. Public Liability Insurance

including the Passat Treatment Systems. When are necessary in providing access to Shennago and/or the Department for purposes of operating and

Nothing in this paragraph is intended to impede any existing landlord-tenant or condominium forms covering the

For purposes of maintaining, improving and/or replacing the Passat Treatment Systems while the Passat Treatment

The supplemental C’s shall provide Shennago, the Department and access there to the property

known as “Supplemental C’s” with all landowners of property where the Passat Treatment Systems are located.

necessary maintenance, improvement and/or replacement activities for the Passat Treatment Systems. Shennago

access agreements shall provide for ingress and egress by Shennago, the Department and its agents, in a manner to conduct all
shall not be deemed to be a waiver of that remedy.

exercise of one does not preclude the exercise of any other. The failure of the Department to pursue any remedy
 Remedies provided by this Consent Order and Agreement are cumulative and the
System.

The Department, through the Department’s Compliance Tracking System and the Federal Application Violator System, may in addition to any other remedy provided by law, commence legal action to recover any penalties due and for the purpose of exercising its enforcement authority, may adopt rules, guidelines, or procedures to carry out the purposes of the Act.

b. In the event Shennago fails to comply with any provision of this Consent Order and Agreement:

20. Additional Remedies

d. Shennago’s Civil Penalty shall be due immediately and without notice.

for which the payment is made.

reserved any Shennago’s liability for civil penalties arising from the violation of this Consent Order and Agreement. The payment

Any payment under this paragraph shall neither waive Shennago’s duty to meet its

Cressona Office, P.A. 15601-8739
2209 Route 819
Armed Forces Professional Center
Cressona District Mining Office
Department of Environmental Protection
District Mining Manager

of each succeeding month, and shall be forwarded to:

Shennago Civil Penalty payments shall be payable monthly on or before the thirtieth day
All correspondence with the Department concerning the Consensus Order and Agreement shall be addressed to:

Correspondence with Department

24. Correspondence with Department

Shenanego's duties and obligations under the Consensus Order and Agreement upon transfer of the Mines:

The Department in its sole discretion may reasonably agree to modify or terminate such interest and shall simultaneously inform the Department's District Mining Manager, Creesnagon District Mining Office, of prospective transfer of the legal and equitable interests at least thirty (30) days prior to the contemplated transfer. If such interest is transferred to another, Shenanego shall serve a copy of this Consensus Order and Agreement upon the transferee. If Shenanego intends to transfer any legal or equitable interest in the Mines addressed in this Consensus Order and Agreement, Shenanego shall serve a copy of this Consensus Order and Agreement upon the transferee. If any part thereof is modified, diminished, terminated or otherwise altered by Shenanego or transferor of any legal or equitable interest in the Mines, the duties and obligations under the Consensus Order and Agreement shall not be modified, diminished, terminated or otherwise altered by Shenanego or transferor of any legal or equitable interest in the Mines.

Transfer of Mines

By continued use or allowed by its officers, agents, employees or contractors, Shenanego shall be liable for any violations of the Consensus Order and Agreement, including those caused by Shenanego.

Liability of Shenanego

Law. Shenanego reserves the right to challenge any action which the Department may take to require those measures. The Department reserves the right to require additional measures to achieve compliance with applicable

Reservation of Rights
Submission shall include all necessary documentation, as well as a notarized affidavit from an authorized individual.

b. Performance is required to be completed in the presence of this paragraph if no such time limit imposed in the Consent Order and Agreement solely because of a strike, fire, flood, act of God, or other

d. In the event that Shenuango is prevented from complying with any

26. Force Majeure

Agreement including the enforcement, may be made by mailing a copy by first-class mail in the above address.

Shenuango shall notify the Department whenever there is a change in the contact person's

be addressed to:

a. All correspondence with Shenuango shall

25. Correspondence with Shenuango

Correspondence PA 15601-8739
825 Route 189

Administrative Professional Center

Correspondence District Mining Office

Department of Environmental Protection

District Mining Manager
Consent Order and Agreement shall be effective unless they are set out in writing and signed by the Parties hereto.

Except as provided in Paragraph 11.1.c. x no changes, additions, modifications, or amendments of this Agreement shall be effective in any manner or any other proceeding of this Consent Order and Agreement of the matters of any related matters arising prior to execution of this Consent Order and Agreement.

The Parties shall bear their respective attorney fees, expenses and other costs in the prosecution of defense.

Authority Fees

meaning or extent of any provisions herein in any litigation or any other proceeding of any communications or proceedings or provision of any communications of purposes or for purposes of determining the

This Consent Order and Agreement shall constitute the entire integrated agreement of the Parties. No prior

Future Agreement
decided invalid or unenforceable, the remainder shall continue in full force and effect between the Parties.

The paragraphs of this Consent Order and Agreement shall be severable and should any part hereof be

Severability

extension was an issue of discretion based upon the information then available to:

superseded information. The department shall have the burden of proving that the department is required to grant the requested

basis of all documentation submitted by and other information available to the department. In any

The department will decide whether to grant or part of the extension requested on the

and all effect as to the particular incident involved.

comply with the requirements of this Paragraph specifically and in any manner, fashion, shall render this Paragraph null

written submission may be supplemented within ten (10) business days of its submission. Statement's failure to

and being made by information to mitigate the effects of the delay and to minimize the length of the delay. The initial

specifying the reasons for the delay, the expected duration of the delay and the efforts which have been made and
The Parties agree to execute this Consent Order and Agreement by counterparts signatures transmitted via

\[\text{Counterpart Signatures}\]

This Consent Order and Agreement shall be fully and completely binding upon any successor or assignee.

\[\text{Successor}\]

enforces this Consent Order and Agreement.

2 Pa. C.S. § 101. Any objection which Shennango may have to the decision will be preserved until the Department
Order and Agreement is intended to be neither a final action under 2 Pa. Code §1021.2, nor an adjudication under
additional procedures to the Trust, any decision which the Department makes under the provisions of this Consent
Order for determinations under this Consent Order and Agreement in which Shennango is required to make

\[\text{Decision under Consent Order and Agreement}\]

the construction of this paragraph, but shall not be treated as controlling.

A title used at the beginning of any paragraph of this Consent Order and Agreement may be used to aid in

\[\text{Title}\]
FOR SHENango INCORPORATED: 

By Shenango's attorney certifies only that the agreement has been signed after consulting with counsel. 

Administrative Agency Law, 2 P.A.C. § 103(a) and Chapters 5a and 7a, or any other provision of law, authorize the Environmental Hearing Board, Act of July 13, 1988, P.L. 530, No. 1988-4, 35 P.S. § 714, to issue and enforce an agreement and any order that is necessary or appropriate to ensure compliance with the Act and regulations and to provide such relief as may be available under Section 4 of the Act or the Order and Agreement no provision of law or rule of the Department or Shenango hereby knowingly waives his rights to appeal this Consent Agreement on behalf of Shenango; that Shenango consents to the entry of this Consent Order and Agreement as a Consent Order of the Department and Shenango hereby waives any and all rights to appeal this Consent Order and Agreement as a Consent Order of the Department. 

IN WITNESS WHEREOF, the Parties Hereto have caused this Consent Order and Agreement to be signed this 21st day of December, 2015.

[Signatures]