

1992 TOWN OF TELLURIDE
IDARADO MINING COMPANY
SETTLEMENT AGREEMENT
AMENDMENT 1

This AMENDMENT TO AGREEMENT (hereinafter "AMENDMENT 1") is entered into between the Town of Telluride, Colorado ("TOWN"), a home rule municipality and political subdivision of the State of Colorado, and IDARADO MINING COMPANY, NEWMONT MINING CORPORATION, and NEWMONT SERVICES, LTD. (hereinafter collectively "IDARADO").

RECITALS

WHEREAS, the parties entered into the 1992 Town of Telluride/Idarado Mining Company Settlement Agreement on July 27, 1992 (hereinafter "AGREEMENT"); and

WHEREAS, Section 9.19 of that AGREEMENT provides that no amendment to such agreement shall be valid unless made in writing and executed by all parties thereto; and

WHEREAS, the AGREEMENT was intended by the parties to identify those locations at which TOWN was authorized to perform work on IDARADO's property and in connection with which TOWN was authorized to file Water Court applications; and

WHEREAS, Section 4.1.A of the AGREEMENT does not include all such locations; and

WHEREAS, the AGREEMENT was intended by the parties to grant TOWN broad authority to acquire decreed water rights to divert at such locations for such purposes as TOWN deemed appropriate; and

WHEREAS, Section 4.1.B. could be interpreted as unduly restricting TOWN with regard to its purposes;

NOW, THEREFORE, the parties agree to amend Section 4.1 of the AGREEMENT as follows:

4.1 Entry License and Authorization to File

A. IDARADO hereby authorizes TOWN, its agents and employees, subject to the rights of Eric R. Jacobson, to enter onto IDARADO's property (the "Property") for the purpose of performing work on the ground of a type intended to provide notice to interested parties of TOWN's intent to appropriate water from Bridal Veil and Marshall Creeks and their tributaries, as they flow through the property. Such work shall be in the nature

of surveying and staking and posting notices advising interested parties of TOWN's intent to appropriate water. The locations at which TOWN may perform such work are as follows: (1) Pandora Water Storage Tank Outflow at Marshall Creek Basin above confluence with San Miguel River at the Idarado Mill Facility; (2) Bridal Veil Power Plant Tailrace Diversion immediately below the discharge of the Bridal Veil Hydroelectric Power Plant at the bottom of Bridal Veil Falls; (3) Bridal Veil Pipeline at Bridal Veil Creek, immediately above the Bridal Veil Hydroelectric Power Plant; (4) Silver Lake Reservoir in Silver Lake Basin, tributary to Bridal Veil Creek; (5) Mud Lake Creek Pipeline at Mud Lake Creek, approximately 1/2 mile above its confluence with Bridal Veil Creek; (6) Mud Lake Reservoir in Mud Lake Creek Basin, tributary to Bridal Veil Creek; (7) Blue Lake Supply Pipeline, Mud Lake Branch, at outlet of Mud Lake Reservoir; (8) Blue Lake Discharge Pipeline at outlet of Blue Lake Reservoir No. 1; (9) Blue Lake Reservoir No. 1 in Bridal Veil Basin; (10) Blue Lake Supply Pipeline, Double Eagle Branch, in the western portion of Upper Bridal Veil Basin; (11) Blue Lake Supply Pipeline, Bridal Veil Branch, at Bridal Veil Creek, approximately 3/4 mile below Head of Bridal Veil Reservoir (aka Lewis Lake); and (12) Head of Bridal Veil Reservoir (aka Lewis Lake) at Upper Bridal Veil Creek above the Lewis Mine.

B. IDARADO further authorizes TOWN to file such Water Court applications as TOWN desires in order to acquire decreed rights to divert water at the aforesaid locations and to file an application in the Water Court for water storage rights for the aforescribed reservoirs for augmentation, recreation, fish and wildlife preservation and propagation, hydropower generation, and all municipal purposes including, but not limited to, domestic, commercial, irrigation, industrial, snowmaking and all other beneficial uses incident to use by the TOWN. TOWN shall not assert any right or priority that is or may be senior to any decreed right or priority of IDARADO, nor shall TOWN assert any claim that any right of IDARADO has been abandoned in whole or in part in connection with said applications.

The effective date of this AMENDMENT 1 shall relate back to the effective date of the original AGREEMENT, July 27, 1992. All prior actions by the TOWN pursuant to the authorizations in Section 4.1 of AMENDMENT 1 are hereby ratified.

All other provisions of the AGREEMENT shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this AMENDMENT
1 as set forth below.

IDARADO MINING COMPANY

ATTEST

By: Graham M. Clark
GRAHAM M. CLARK
Vice President

By: T. Schmitt
Secretary

NEWMONT MINING CORPORATION

ATTEST

By: Graham M. Clark
GRAHAM M. CLARK
Sr. Vice President
and General Counsel

By: T. Schmitt
Secretary

NEWMONT SERVICES, LTD.

ATTEST

By: Graham M. Clark
GRAHAM M. CLARK
Vice President

By: T. Schmitt
Secretary

TOWN OF TELLURIDE

ATTEST

By: Elaine R. C. Fischer
Elaine R.C. Fischer, Mayor

By: Mary Jo Schillaci
Mary Jo Schillaci
Town Clerk

APPROVED AS TO FORM:

By: Laura C. Harper
Laura C. Harper
Town Attorney