

**STATE OF MICHIGAN
IN THE 46TH JUDICIAL CIRCUIT
COUNTY OF OTSEGO**

Michigan Department of Natural
Resources and Environment, *et al.*
Plaintiffs,
and

Case No. 09-12933-CE(m)
Honorable Dennis F. Murphy

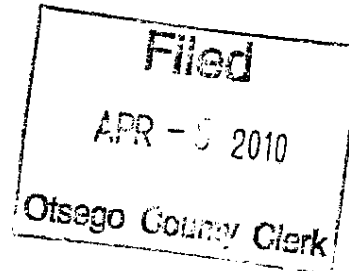
Michigan Chapter Trout Unlimited,
and Pigeon River Country
Association,

Intervening Plaintiffs

v

Golden Lotus, Inc.,

Defendant



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**INTERIM ORDER FOR SUBSTITUTION OF PARTIES,
STAYING FURTHER PROCEEDINGS AND
CERTAIN OTHER RELIEF**

At a session of the Court held in the Circuit Court,
Gaylord, Michigan on the 5 day of April, 2010.

Present: Honorable Dennis F. Murphy, Circuit Judge

This matter having come before the Court at the request of all parties; the Court having
reviewed the Stipulation of counsel for the parties set forth at the end of this Interim Order and

OTSEGO COUNTY CLERK

the Resolution of the Board of Directors of Defendant ("Golden Lotus") attached as **Exhibit A**; and, the Court being otherwise fully advised in the premises and being of the opinion that the relief set forth below should be granted, it is **ORDERED** as follows:

1. As a consequence of the recent reorganization of Plaintiffs effective January 17, 2010, Plaintiff Department of Natural Resources and Environment ("DNRE") is substituted in the place and stead of Plaintiffs Department of Environmental Quality and Dept of Natural Resources; and, as a consequence of the resignation of Steven Chester as Director from the former Department of Environmental Quality and consolidation of that position into the directorship of the DNRE, he is dismissed as a party Plaintiff.

2. This Interim Order is without prejudice to or waiver of claims, rights, defenses, or positions of any party to any other claim or dispute and pertains only to Case No. 09-12933-CE(m).

3. Subject to and in accordance with the provisions of this Interim Order, Golden Lotus shall remove the private dam it owns and maintains on its property creating the impoundment on the Pigeon River known as the Lansing Club Pond, Corwith Township, Otsego County. The dam removal project will require DNRE permits pursuant to Parts 301, 303, 315, the floodplain portion of Part 31, and Part 305, of the Natural Resources and Environmental Protection Act ("NREPA") and the rules and regulations promulgated under the NREPA.

The DNRE agrees that upon removal of the dam structure, Golden Lotus will be allowed the continued use of the existing bridge or, if in the opinion of a Golden Lotus engineer, due to structural concerns with the existing bridge structure, a replacement bridge crossing. Golden Lotus shall apply for and be issued DNRE permits that authorize the construction and placement of a new bridge structure at or near the existing bridge location as long as the replacement bridge crossing is a clear span structure which spans the bankfull channel and has a minimum of five feet clearance between the ordinary high water level and low steel of the bridge and meets the

necessary regulatory, engineering, and design requirements. Plaintiffs are willing to support Golden Lotus' application for permit or variance to County zoning authorities under the Natural Rivers Act or otherwise with respect to such bridge authorized by DNRE permits.

4. Within thirty (30) days following entry of this Order, Golden Lotus and its experts shall submit a "Conceptual Plan" for removal of the dam to the State Technical Review Team ("Review Team") established by Plaintiffs (collectively referenced for convenience as the "DNRE") and Intervening Plaintiffs (Intervenors) for review and approval. Although the Conceptual Plan need not include all details and documentation necessary to constitute an administratively complete permit application for dam removal pursuant to the NREPA and applicable rules and regulations, it shall include at a minimum:

(a) Conceptual plans for dam removal, sediment testing and management, and restoration of the formerly impounded area to a stable stream channel. The Conceptual Plan shall, to the extent possible, provide a conceptual plan and description of any proposed modifications to the existing bridge structure; and, a conceptual plan and description for replacement of the bridge if it is determined that it must be removed and replaced as part of the dam removal project.

(b) The following information:

(i) Comparison of the "bankfull discharge" (i.e., cubic feet per second) from U.S. Geological Survey data to the calculated bankfull discharge for the Pigeon River at Golden Lotus adjusted for watershed drainage area; and,

(ii) Identify a stable reference reach and estimate the amount of sediment (i.e., cubic yards) which is anticipated to move through the reference reach during bankfull conditions, and a description of the methodology and calculations used to make this estimate.

(c) A reasonable timetable for collection of all testing, data, documentation, and other necessary and appropriate submissions for filing of a complete application for dam removal.

5. The Review Team and the Executive Director, Bryan Burroughs (Burroughs), of the Intervening Plaintiffs, Michigan Chapter of Trout Unlimited will assist Golden Lotus and its experts in connection with identifying data, testing, and documentation requirements, and with development of a comprehensive and reasonable dam removal plan for the purpose of preparation of the application(s) for the permit necessary to implement and complete the dam removal project contemplated by this Interim Order. The Review Team and Burroughs shall promptly review the Conceptual Plan. Upon completion of its review, and subject to the provisions of this Interim Order:

(a) The Review Team shall notify Golden Lotus in writing of any additional information or documentation necessary and appropriate for review of the Conceptual Plan;

(b) The Review Team shall notify Golden Lotus in writing of information, documentation, and data which it deems necessary and appropriate for submission, processing, and approval, of the application(s) for permits to remove the dam and associated restoration of the Pigeon River in accordance with Parts 31, 301, 303, 305, and 315;

(c) DNRE counsel shall contact counsel for Golden Lotus and Interveners to schedule a "pre-application meeting" as soon as possible in, at the option of DNRE, either Lansing or Gaylord to be attended by the appropriate representatives of Golden Lotus and DNRE, their respective experts, Burroughs, and counsel. The purpose of the Pre-Application Meeting is to discuss the information necessary to submit a complete

permit application for dam removal and any other issues relevant to the dam removal project contemplated by this Interim Order.

6. Promptly following the Pre-Application Meeting, DNRE shall notify Golden Lotus in writing of any additional information required to process a complete permit application for the dam removal project as provided by this Order, Parts 31, 301, 303, 305, and 315, and the applicable rules and regulations promulgated pursuant to these Parts. Golden Lotus shall then provide to DNRE all additional information which it is reasonably determined is necessary for submission and review of an administratively complete application for dam removal.

7. Within thirty (30) days following receipt by Golden Lotus of the written notification from DNRE as provided in paragraph 5, Golden Lotus shall submit a completed Joint Application for dam removal to the DNRE and Burroughs in accordance with the NREPA and this Interim Order. The Application shall include:

- (a) An estimate of the quantity and composition of sediments which are likely to be conveyed downstream due to dam removal and associated restoration measures.

- (b) A plan for collection and development of geomorphic data within a reach of the river that begins at a stable characteristic upstream riffle and continues to a stable riffle downstream of the dam that is not affected by the dam.

- (c) The results of the collection and testing of sediments within the impoundment to determine whether they are contaminated. With respect to this collection and testing:

- (i) There shall be a minimum of six (6) representative sediment samples collected at locations to be determined by the parties at the Pre-Application Meeting or shortly thereafter;

- (ii) All samples shall be tested for PCBs, PNAs, and "M-12" metals;

(iii) All sample results shall be sent to the DNRE for its review;

(iv) All vertical cores shall be preserved to the greatest extent possible and made available to the DNRE upon request;

(v) Excavation and removal of sediments from the former impounded area will not be required as a condition of the permit(s) if the sampling demonstrates that they do not contain any of the tested substances in higher than allowable concentrations; and, they will be allowed to remain *in situ* unless it is determined by DNRE, in consultation with Golden Lotus and Burroughs, that some sediments should be graded and balanced for the purpose of erosion control or channel restoration; and,

(vi) If any of the samples are found to contain tested contaminants at levels in excess of allowable standards, and the parties are unable to agree upon a plan for handling and/or disposition of the contaminated sediments, this Interim Order shall become void except for paragraph 19 which provides for adjournment of dates originally established by the Final Pretrial Order. In such event, the parties shall be returned to their original positions in the present litigation prior to issuance of this Interim Order without waiver of, or prejudice to, their respective rights, claims, and defenses.

(d) A sediment management plan. In connection with the sediment management plan:

(i) Golden Lotus shall document impoundment sediment quantity and quality;

(ii) All vertical cores shall be characterized as to the sediment composition at 6-inch intervals at the point of refusal;

(iii) Golden Lotus shall collect sediment samples to document the size of sediments capable of moving through the system due to dam removal and associated restoration measures;

(iv) It must include information on the dimension, pattern and profile of the Pigeon River in the former impoundment after restoration, if determined necessary, floodplain construction at the bankfull elevation and bank grading (i.e., appropriate bank height ratios) to address stream stability, erosion and sediment loading;

(v) Spoils and other related materials shall not be placed within the 100-year floodplain of the Pigeon River; the phrase "spoils and other related materials" is not intended to include:

(A) Bank grading and sediment balancing contemplated by subparagraph (iii) above; and,

(B) Seeding and planting as provided in paragraph 8 below; and,

(C) Improvements including, by way of example and not limitation, sediment control structures, boardwalk, rip-rap, and retaining walls, which are installed or constructed pursuant to appropriate permits;

(vi) No retention pond shall be created or constructed by Golden Lotus within the area of the current impoundment (this is not intended to apply to naturally occurring "off-channel" ponds and depressions resulting from the draw-down);

(vii) The sediment management plan shall evaluate the need for construction of an in-stream sediment basin located below the existing dam

structure, and, if "meaningful" sand movement is predicted following consultation with Burroughs due to dam removal and associated restoration measures, it may be required by DNRE as a condition of the permit;

(viii) If a sediment basin is required by DNRE, it shall be constructed by Golden Lotus and maintained for so long as necessary following dam removal in accordance with the dam removal permit(s).

(e) A requirement that survey datum be tied to a real time (or "RTK") benchmark to establish accurate locations and elevations. Golden Lotus' experts shall use a "total station" or other conventional method for the survey in order to provide as comprehensive data as possible, including estimates of sediment volume and development of a contour map of existing conditions.

(f) Conducting a longitudinal profile of the affected portion of the river. In this regard:

(i) The longitudinal profile shall include a survey of the thalweg from a characteristic stable upstream riffle to a characteristic riffle downstream of the dam that is not affected by the dam;

(ii) Measurements shall include stream bottom at significant slope breaks, water surface, water's edge, and occasional bank height and bankfull elevation; and,

(iii) Permanent monuments shall be placed to document the extent of the longitudinal profile.

(g) Conducting six (6) to twelve (12) cross-section transects. In this regard:

(i) The transects shall include stream bottom at significant slope breaks, sediment depth, water surface, water's edge, top of bank, bankfull

elevation, and estimated 100-year floodplain on both sides of the river or impoundment;

(ii) The transects shall extend up to the estimated 100-year floodplain on both sides of the river or impoundment; and,

(iii) Permanent monuments shall be placed at each cross-section transect.

(h) Identification of an reference reach (i.e., same valley type and predicated or designed stream type) with a longitudinal profile, with a minimum of three cross-section transects with detail as described above, sediment samples or pebble counts as described above, identification of bankfull elevation, placing of permanent monuments, and calculation of bankfull discharge.

(i) A design which ensures environmental and resource protection and enhancement in compliance with applicable law and standards, and consistent with this Interim Order. The parties shall cooperate in good faith in considering and implementing various cost-effective options and safety concerns in connection with the dam removal plan and all other activities contemplated by this Interim Order.

8. The procedure for "draw-down" of the impoundment will be determined in good faith by DNRE upon its review and approval of the dam removal and sediment management plan, and after good faith consultation with Burroughs and Golden Lotus' experts. The "draw-down" shall be closely monitored by Golden Lotus in a manner which is consistent with the approved permit and sediment management plan. If it is determined by the DNRE that the "draw-down" should be modified to account for weather and other events, DNRE or its designee shall notify Golden Lotus in writing of the modification and Golden Lotus and its experts shall promptly take the steps necessary to accomplish such modification.

9. As the current impoundment is drained and sediments become exposed, Golden Lotus shall be required to seed the exposed areas with grasses, trees, and shrubs, so long as they are native, non-invasive plants. "Invasive plants" are defined as those that have been demonstrated by governmental agencies or the Michigan Invasive Plant Council to have aggressive growth characteristics and that threaten native ecosystems by dominating the normal vegetation of an area. Golden Lotus shall submit to the DNRE in advance a written list of the species which it desires to plant in connection with the dam removal project. DNRE shall in good faith promptly review each submitted list in consultation with Burroughs and promptly advise Golden Lotus in writing whether it approves or objects to any of the listed species. If it objects to any of the species, it shall notify Golden Lotus in writing of the reason(s) for its objection. The parties shall cooperate in good faith to ensure that appropriate species of trees, shrubs and plants are introduced to the exposed areas of the current impoundment in accordance with sound environmental practices and to achieve the best possible aesthetic outcome.

10. As part of the restoration phase of the dam removal process, Golden Lotus may apply for a permit or permits to create additional wetlands within the impoundment area following drawdown.

11. As part of the restoration phase of the dam removal process, Golden Lotus shall develop a vegetation management plan for re-vegetation of the impoundment area following drawdown for DNRE review and approval. Plaintiffs are willing to support Golden Lotus application for permit or variance, which ever is applicable, to the DNRE Zoning Review Board and County Zoning Ordinance for approval.

12. Golden Lotus shall direct its experts to work closely with the Review Team, DNRE, and Burroughs. Burroughs will actively participate in the dam removal planning, permitting, and implementation process. Burroughs and Golden Lotus' experts shall regularly

consult with appropriate DNRE personnel regarding all aspects of the dam removal project, sediment management plan, and all other work contemplated by this Interim Order.

13. The parties shall cooperate with each other in good faith to accomplish dam removal in accordance with the provisions of this Interim Order, it being understood that neither they nor the Court can precisely predict what requirements may reasonably be required in order to accomplish the contemplated dam removal, including by way of example and not limitation, construction and maintenance of grade and sediment control devices and structures. Golden Lotus will comply with such requirements as may be reasonably imposed by the DNRE as a condition for the permit(s), subject to the requirement that the DNRE consult in good faith with Golden Lotus' experts and Burroughs.

14. Golden Lotus shall be entitled to maintain the current bridge; or, if in the opinion of a qualified, licensed engineer it must be removed as part of the contemplated dam removal project, Golden Lotus shall be entitled to construct a comparable bridge across the Pigeon River at the same or the nearest feasible location. Golden Lotus shall be responsible for obtaining all necessary permits for, and financing of, bridge replacement; provided, so long as the replacement bridge conforms with applicable engineering standards for safety and environmental protection standards, DNRE shall process all application(s) for construction of the replacement bridge, including by way of example and not limitation, any permit(s) required pursuant to Part 305 of the NREPA (Natural Rivers Act) and any other applicable state law requiring a permit. DNRE and Interveners shall cooperate in good faith with Golden Lotus with respect to bridge replacement if it becomes necessary.

15. To the extent that Golden Lotus desires to conduct work which is outside the purview of the activities contemplated or required by this Interim Order (including, by way of example and not limitation, a boardwalk or other structure along the banks of the restored river

following dam removal), Defendant shall be responsible for obtaining all additional permits which may be required by other laws, including, but not limited to, Part 305 of the NREPA.

16. DNRE and Interveners will assist Golden Lotus in good faith to identify grants and other funding sources to help pay for the activities and construction contemplated by this Interim Order; provided, Golden Lotus shall be responsible to apply for any such identified funding, it being understood that DNRE and Interveners are not providing assurances that such funding is necessarily available.

17. Upon DNRE issuance of necessary permits for dam removal pursuant to this Interim Order, the parties shall enter into a Consent Judgment filed with the Otsego County Circuit Court embodying the terms of final settlement of this matter. The Consent Judgment shall include:

(a) A money judgment in favor of DNRE and against Golden Lotus in the amount of \$150,000 as mitigation for alleged damages and DNRE investigation costs, which judgment shall provide for payment on the following terms:

(i) Golden Lotus shall pay \$15,000 within ten (10) days of the entry of the Consent Judgment by the Court;

(ii) Golden Lotus shall pay \$15,000 on the anniversary date of the Consent Judgment for each of the succeeding nine (9) years until the entire sum is paid in full;

(iii) The judgment shall not bear interest unless any payment is not paid within ten (10) days of the date on which it is due, in which case such delinquent payment shall bear interest at the published rate for money judgments in the State of Michigan until the delinquency is paid;

(iv) Golden Lotus shall have the right to prepay the judgment in whole or in part at any time without penalty; and,

(v) Upon payment of the judgment amount in full (including judgment interest if applicable), DNRE shall promptly file a Satisfaction of Judgment with the Circuit Court..

(vi) In the unlikely event that Golden Lotus defaults on the money judgment and a judgment lien is granted against the property, the DNRE is willing to limit the lien to the areas of Golden Lotus property that are not presently dedicated for leases, or condominiums if there is a conversion.

(b) Dismissal with prejudice of all claims of DNRE and Interveners arising out of, from, or in connection with: the Complaint, the Complaint of Interveners, the acts and omissions alleged in the Complaint and Complaint of Interveners, and, the events of June 22 and 23, 2008 (collectively, the "Claims"), and, all claims for injuries, damages, losses, mitigation, costs, and attorneys fees, incurred or alleged to have been incurred in connection with the Claims.

(c) Acknowledgment by the parties that the Consent Judgment is not to be construed or interpreted as an assertion or admission of liability on the part of any party, instead, represents the compromise of disputed claims and the sincere desire of all parties to protect and preserve the Pigeon River and the Pigeon River watershed.

18. DNRE and Interveners and their affiliates, shall not file nor bring any other civil proceeding in any court or tribunal against Golden Lotus, its directors, members, employees, experts, attorneys, or other representatives, arising out of, from, or in connection with the Claims, and, shall not file or bring an civil action in any court or other tribunal for injuries, damages, losses, mitigation, costs, and attorneys fees, incurred or alleged to have been incurred in connection with the Claims. This Interim Order does not affect the criminal investigation by the DNRE and State of Michigan to determine whether the events of June 22-23, 2008, involved criminal activity, nor from commencing criminal action against Golden Lotus or other parties if

subsequent investigation determines there is reasonable cause to believe that criminal activity may have occurred.

19. The stipulation of the parties below is not to be construed or interpreted as an admission of liability on the part of any party instead, it and this Interim Order represent the compromise of disputed claims and the sincere desire of all parties to protect and preserve the Pigeon River and the Pigeon River watershed.

20. State Plaintiff will provide press release(s) regarding settlement or the subject matter of the litigation to the Defendant prior to submission to the public. State Plaintiffs will refrain from including in the press releases any language which is derogatory of Golden Lotus or which directly or indirectly indicates that Golden Lotus has committed any wrongdoing, it being the intention of DNRE and Golden Lotus to express in the press releases a genuine desire to work together for the protection and preservation of the Pigeon River and its watershed.

21. Interveners and Golden Lotus will cooperate in exchanging draft press releases prior to their issuance. Interveners and their affiliates shall refrain from including in the press releases any language which is derogatory of Golden Lotus or which directly or indirectly indicates that Golden Lotus has committed any wrongdoing, it being the intention of Interveners and Golden Lotus to express in the press releases a genuine desire to work together for the protection and preservation of the Pigeon River and its watershed.

22. All further proceedings and deadlines in this matter are stayed indefinitely pending further Order of this Court. In the unlikely event that the conditions precedent to full implementation of the provisions of this Interim Order as set forth in paragraph 7(c)(vi), this Interim Order shall become null and void. In such event:

(a) The parties shall be returned to their original positions in the present litigation prior to issuance of this Interim Order without waiver of, or prejudice to, their respective rights, claims, and defenses; and,

(b) The parties shall promptly notify the Court of the failure of the condition(s) precedent, whereupon the Court shall promptly set a date and time to meet and confer with counsel to prepare and issue a revised Scheduling Order to establish new discovery deadlines, motion deadlines, pretrial conference(s), trial, and determine other appropriate proceedings.

23. This is not a final order resolving all claims in the litigation and the Court retains continuing jurisdiction pending completion of the conditions precedent to entry of a final Consent Judgment as set forth above


Dennis F. Murphy, Circuit Judge

STIPULATION

Counsel for the parties stipulate to entry of the foregoing Interim Order.

April 5, 2010

See attached

Pamela J. Stevenson
Attorney for DNRE and Humphries

April 5, 2010

[Signature]
Peter L. Gustafson
Attorney for Interveners

April 5, 2010

[Signature]
William M. Schlecte
Attorney for Golden Lotus

April 5, 2010

[Signature]
Harry Ingleson, II
Co-Counsel for Golden Lotus

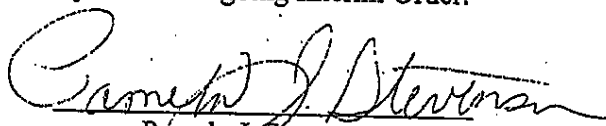
Golden Lotus joins in the above Stipulation and concurs in entry of the Interim Order as evidenced by the Certified Resolution of the Board of Directors attached as **Exhibit A**.

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STIPULATION

Counsel for the parties stipulate to entry of the foregoing Interim Order.

April 2, 2010


Pamela J. Stevenson
Attorney for DNRE and Humphries

April __, 2010

Peter L. Gustafson
Attorney for Interveners

April __, 2010

William M. Schlecte
Attorney for Golden Lotus

April __, 2010

Harry Ingleson, II
Co-Counsel for Golden Lotus

Golden Lotus joins in the above Stipulation and concurs in entry of the Interim Order as evidenced by the Certified Resolution of the Board of Directors attached as Exhibit A.

**RESOLUTION OF THE DIRECTORS OF
GOLDEN LOTUS, INC. AMENDING RESOLUTION
OF MARCH 23, 2010, APPROVING INTERIM ORDER**

Resolution made effective on the 4th day of April, 2010 by the Board of Directors of Golden Lotus, Inc., a Michigan non-profit corporation ("Golden Lotus").

RECITALS

A. Golden Lotus is a Michigan non-stock, non-profit corporation, in which the Directors of the corporation constitute the "voting members" entitled to vote on matters involving the corporation.

B. The Board of Directors may comprise as few as three, and as many as fifteen, Directors.

C. The current Board of Directors comprises three individuals: Donald Handyside (Chairman), Carol Armour, and Judy Tracey. They constitute all of the "voting members" of the corporation for purposes of authorizing actions on its behalf.

D. Golden Lotus is the Defendant in litigation in the Otsego County Circuit Court now entitled *Michigan Department of Natural Resources and Environment, et al., v Golden Lotus, Inc.*, Case No. 09-12933-CE(m) [formerly entitled *Department of Environmental Quality, et. al. v Golden Lotus, Inc.*] (the "Civil Litigation").

E. The Civil Litigation was joined by the Michigan Council of Trout Unlimited and the Pigeon River Country Association as Intervening Plaintiffs.

F. All of the parties to the Civil Litigation and their legal counsel participated in facilitative mediation and have worked since the date of mediation to negotiate terms of an Interim Order which, if satisfactorily completed, will ultimately result in final settlement of the Civil

*Exhibit A to ~~Interim Order~~
Interim Order*

Litigation.

G. As a consequence of the facilitative mediation and subsequent negotiations between the parties, a draft of an Interim Order has been prepared and circulated. A copy of the latest draft of the Interim Order forwarded by email on March 15, 2010 to Golden Lotus' legal counsel by legal counsel for Trout Unlimited and PRCA is attached to this Resolution as **Attachment 1**.

H. During the parties' negotiations, criminal complaints were brought by the Otsego County Prosecuting Attorney against the corporation and two of its employees, Ian Wylie and Steven Weisenthal, alleging that crimes were committed by them in connection with the events of June 22 and 23, 2008 (the "Criminal Proceedings").

I. Pursuant to Section 2.6.8 of the corporation's Bylaws¹, a meeting of all of the Directors was conducted by telephone on March 23, 2010. All Directors waived notice of the meeting in accordance with Section 2.7.2 of the Bylaws² as indicated by their participation in the meeting without protest and their signatures below.

J. The proposed Interim Order (Attachment 1) was discussed at length. Among other discussion, the subject arose regarding the language of Paragraph 2 of the proposed Interim Order, particularly whether its entry would have any effect on the presently pending applications for gas well permits and accompanying facilities. To address this concern, the corporation's legal counsel

¹ Section 2.6.8. A member of the Board of Directors or of a committee may participate in a meeting by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section constitutes presence *in person* at the meeting.

² Section 2.7.2. Notwithstanding the foregoing, no notice need be given to any director who submits a signed waiver of notice before or after a meeting, or who attends a meeting without protesting any lack of notice.

conferred with legal counsel for Trout Unlimited and PRCA and was assured that the Interim Order was intended to have no effect on other proceedings, including, but not limited to, the pending applications. A confirming email was sent by the corporation's legal counsel to legal counsel for Trout Unlimited and PRCA on March 22, 2010, a copy of which was circulated to all Directors by email. In adopting the Resolution set forth below, the Directors have relied upon the assurances of legal counsel for Trout Unlimited and PRCA in this regard, i.e., that the Interim Order has, and shall have, no effect on the rights, remedies, obligations, or duties of the parties with respect to any other matters, claims or defenses, including, but not limited to, extraction, development, and transport of oil and gas and any other surface or subsurface resources.

K. The March 23, 2010 Resolution passed by a majority vote of 2 to 1 as indicated by the signatures of the Directors set forth at the end of the Resolution.

L. Negotiations with the Prosecuting Attorney subsequent to adoption of the March 23 Resolution have not produced dismissal of the Criminal Proceedings satisfactory to the corporation. Negotiations are expected to continue until the time of the scheduled arraignment of the defendants at 9:00 a.m. on April 5, 2010.

M. Steven Weisenthal has stated to the Board that under no circumstances will he plead anything other than "not guilty" to the charge against him.

N. Ian Wylie has indicated to the Board that, after consultation with independent legal counsel, Richard Pierce, Esq., of Ann Arbor, Michigan, he is willing to enter a plea in accordance with his discussions with the Chairman of the Board, Donald Handyside.

O. The Board wishes to amend its prior Resolution insofar as it required dismissal of all criminal charges as a condition for approval of the Interim Order to allow for its approval under

certain circumstances as set forth below.

RESOLUTION

After due deliberation and consideration, by majority vote taken by telephone conference on April 4, 2010 and confirmed by their signatures below, the undersigned Directors of Golden Lotus adopt the following resolution on behalf of Golden Lotus per Section 2.9 of the corporation's Bylaws³:

1. Golden Lotus authorizes and directs the Chairman of the Board, Donald Handyside, to personally appear on behalf of the corporation at the time of arraignment on April 5, 2010 to negotiate, along with legal counsel, for disposition of the criminal cases in lieu of complete dismissal of all charges and other provisions, as follows:
 - (a) Dismissal of all charges against the corporation;
 - (b) Dismissal of all charges against Steven Weisenthal;
 - (c) Ian Wylie's informed consent and willingness to enter a plea other than "not guilty," which plea disposes of all criminal proceedings against him;
 - (d) Maximum fine of \$500;
 - (e) Court costs as determined by the District Judge;
 - (f) Statement on the record by the Prosecuting Attorney that no other criminal charges will be brought arising from the events of June 22 - 23, 2008;
 - (g) Written confirmation from the Dept of Natural Resources & Energy that all fines and

³ Section 2.9. Voting. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless a greater vote is required by law, by the Articles of Incorporation or by these bylaws. Except for honorary directors (who shall have no vote) each director present shall have one vote.

costs will be credited to the first \$15,000 installment required by the Interim Order;
and,

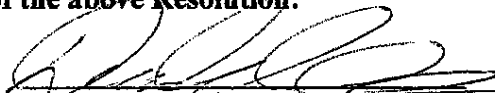
- (h) Written verification that the Interim Order has been approved by the Dept of Natural Resources & Energy, Trout Unlimited and the Pigeon River Country Association.
2. Golden Lotus approves the Interim Order attached to this Resolution as **Attachment 1**, subject to the conditions set forth in Paragraph 1. The Interim Order shall not be signed and approved by the authorized representatives of the corporation unless and until the conditions are satisfied. In the event that the conditions are not satisfied, the corporation does not approve the Interim Order.
 3. Upon satisfaction of the above conditions, Donald Handyside, as Chairman of the Board, and William M. Schlecte, Esq. the corporation's legal counsel, are authorized and directed to sign a Stipulation authorizing entry of the Interim Order by the Circuit Court.
 4. Upon entry of the Interim Order by the Court, Donald Handyside, as Chairman, and William M. Schlecte, as legal counsel, are authorized and directed to take all steps necessary and appropriate to implement the provisions of the Interim Order, including, but not limited to:
 - (a) Hiring of all experts, contractors, and subcontractors necessary and appropriate to carry out the activities contemplated by the Interim Order;
 - (b) Preparation, execution and delivery of a Conceptual Plan, Application for Permit or Permits; engineering plans for dam removal and bridge retention, modification, or replacement; sediment management plan; re-vegetation plan; and all other plans, applications, and documents necessary and appropriate to accomplish the purposes of the Interim Order;

- (c) Investigation of the availability of, and application for, grants and other funding to pay for the cost of the activities contemplated and/or required by the Interim Order; and,
- (d) Preservation of all rights of Golden Lotus in the Civil Litigation and otherwise to the extent that they are consistent with the provisions of the Interim Order.

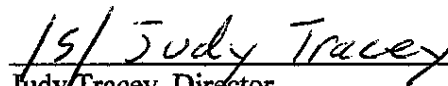
4. The Directors are authorized to sign this Resolution in several counterparts signifying their votes as set forth below.

Directors voting in favor of the above Resolution:

April 4, 2010

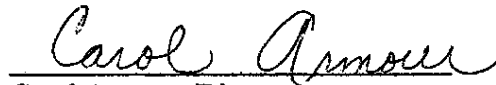

Donald Handyside, Chairman

April 4, 2010


Judy Tracey, Director

Directors voting against the above Resolution:

April 4, 2010


Carol Armour, Director

**STATE OF MICHIGAN
IN THE 46TH JUDICIAL CIRCUIT
COUNTY OF OTSEGO**

Michigan Department of Natural
Resources and Environment, *et al.*
Plaintiffs,
and

Case No. 09-12933-CE(m)
Honorable Dennis F. Murphy

Michigan Chapter Trout Unlimited,
and Pigeon River Country
Association,
Intervening Plaintiffs
v

Golden Lotus, Inc.,
Defendant

Pamela J. Stevenson (P40373)
Assistant Attorney General - Environment
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**INTERIM ORDER FOR SUBSTITUTION OF PARTIES,
STAYING FURTHER PROCEEDINGS AND
CERTAIN OTHER RELIEF**

At a session of the Court held in the Circuit Court,
Gaylord, Michigan on the ___ day of April, 2010.

Present: Honorable Dennis F. Murphy, Circuit Judge

This matter having come before the Court at the request of all parties; the Court having
reviewed the Stipulation of counsel for the parties set forth at the end of this Interim Order and

*Attachment A to Golden Lotus
Resolution - April 4, 2010*

the Resolution of the Board of Directors of Defendant ("Golden Lotus") attached as **Exhibit A**; and, the Court being otherwise fully advised in the premises and being of the opinion that the relief set forth below should be granted, it is **ORDERED** as follows:

1. As a consequence of the recent reorganization of Plaintiffs effective January 17, 2010, Plaintiff Department of Natural Resources and Environment ("DNRE") is substituted in the place and stead of Plaintiffs Department of Environmental Quality and Dept of Natural Resources; and, as a consequence of the resignation of Steven Chester as Director from the former Department of Environmental Quality and consolidation of that position into the directorship of the DNRE, he is dismissed as a party Plaintiff.

2. This Interim Order is without prejudice to or waiver of claims, rights, defenses, or positions of any party to any other claim or dispute and pertains only to Case No. 09-12933-CE(m).

3. Subject to and in accordance with the provisions of this Interim Order, Golden Lotus shall remove the private dam it owns and maintains on its property creating the impoundment on the Pigeon River known as the Lansing Club Pond, Corwith Township, Otsego County. The dam removal project will require DNRE permits pursuant to Parts 301, 303, 315, the floodplain portion of Part 31, and Part 305, of the Natural Resources and Environmental Protection Act ("NREPA") and the rules and regulations promulgated under the NREPA.

The DNRE agrees that upon removal of the dam structure, Golden Lotus will be allowed the continued use of the existing bridge or, if in the opinion of a Golden Lotus engineer, due to structural concerns with the existing bridge structure, a replacement bridge crossing. Golden Lotus shall apply for and be issued DNRE permits that authorize the construction and placement of a new bridge structure at or near the existing bridge location as long as the replacement bridge crossing is a clear span structure which spans the bankfull channel and has a minimum of five feet clearance between the ordinary high water level and low steel of the bridge and meets the

necessary regulatory, engineering, and design requirements. Plaintiffs are willing to support Golden Lotus' application for permit or variance to County zoning authorities under the Natural Rivers Act or otherwise with respect to such bridge authorized by DNRE permits.

4. Within thirty (30) days following entry of this Order, Golden Lotus and its experts shall submit a "Conceptual Plan" for removal of the dam to the State Technical Review Team ("Review Team") established by Plaintiffs (collectively referenced for convenience as the "DNRE") and Intervening Plaintiffs (Intervenors) for review and approval. Although the Conceptual Plan need not include all details and documentation necessary to constitute an administratively complete permit application for dam removal pursuant to the NREPA and applicable rules and regulations, it shall include at a minimum:

(a) Conceptual plans for dam removal, sediment testing and management, and restoration of the formerly impounded area to a stable stream channel. The Conceptual Plan shall, to the extent possible, provide a conceptual plan and description of any proposed modifications to the existing bridge structure; and, a conceptual plan and description for replacement of the bridge if it is determined that it must be removed and replaced as part of the dam removal project.

(b) The following information:

(i) Comparison of the "bankfull discharge" (i.e., cubic feet per second) from U.S. Geological Survey data to the calculated bankfull discharge for the Pigeon River at Golden Lotus adjusted for watershed drainage area; and,

(ii) Identify a stable reference reach and estimate the amount of sediment (i.e., cubic yards) which is anticipated to move through the reference reach during bankfull conditions, and a description of the methodology and calculations used to make this estimate.

(c) A reasonable timetable for collection of all testing, data, documentation, and other necessary and appropriate submissions for filing of a complete application for dam removal.

5. The Review Team and the Executive Director, Bryan Burroughs (Burroughs), of the Intervening Plaintiffs, Michigan Chapter of Trout Unlimited will assist Golden Lotus and its experts in connection with identifying data, testing, and documentation requirements, and with development of a comprehensive and reasonable dam removal plan for the purpose of preparation of the application(s) for the permit necessary to implement and complete the dam removal project contemplated by this Interim Order. The Review Team and Burroughs shall promptly review the Conceptual Plan. Upon completion of its review, and subject to the provisions of this Interim Order:

(a) The Review Team shall notify Golden Lotus in writing of any additional information or documentation necessary and appropriate for review of the Conceptual Plan;

(b) The Review Team shall notify Golden Lotus in writing of information, documentation, and data which it deems necessary and appropriate for submission, processing, and approval, of the application(s) for permits to remove the dam and associated restoration of the Pigeon River in accordance with Parts 31, 301, 303, 305, and 315;

(c) DNRE counsel shall contact counsel for Golden Lotus and Interveners to schedule a "pre-application meeting" as soon as possible in, at the option of DNRE, either Lansing or Gaylord to be attended by the appropriate representatives of Golden Lotus and DNRE, their respective experts, Burroughs, and counsel. The purpose of the Pre-Application Meeting is to discuss the information necessary to submit a complete

permit application for dam removal and any other issues relevant to the dam removal project contemplated by this Interim Order.

6. Promptly following the Pre-Application Meeting, DNRE shall notify Golden Lotus in writing of any additional information required to process a complete permit application for the dam removal project as provided by this Order, Parts 31, 301, 303, 305, and 315, and the applicable rules and regulations promulgated pursuant to these Parts. Golden Lotus shall then provide to DNRE all additional information which it is reasonably determined is necessary for submission and review of an administratively complete application for dam removal.

7. Within thirty (30) days following receipt by Golden Lotus of the written notification from DNRE as provided in paragraph 5, Golden Lotus shall submit a completed Joint Application for dam removal to the DNRE and Burroughs in accordance with the NREPA and this Interim Order. The Application shall include:

(a) An estimate of the quantity and composition of sediments which are likely to be conveyed downstream due to dam removal and associated restoration measures.

(b) A plan for collection and development of geomorphic data within a reach of the river that begins at a stable characteristic upstream riffle and continues to a stable riffle downstream of the dam that is not affected by the dam.

(c) The results of the collection and testing of sediments within the impoundment to determine whether they are contaminated. With respect to this collection and testing:

(i) There shall be a minimum of six (6) representative sediment samples collected at locations to be determined by the parties at the Pre-Application Meeting or shortly thereafter;

(ii) All samples shall be tested for PCBs, PNAs, and "M-12" metals;

(iii) All sample results shall be sent to the DNRE for its review;

(iv) All vertical cores shall be preserved to the greatest extent possible and made available to the DNRE upon request;

(v) Excavation and removal of sediments from the former impounded area will not be required as a condition of the permit(s) if the sampling demonstrates that they do not contain any of the tested substances in higher than allowable concentrations; and, they will be allowed to remain *in situ* unless it is determined by DNRE, in consultation with Golden Lotus and Burroughs, that some sediments should be graded and balanced for the purpose of erosion control or channel restoration; and,

(vi) If any of the samples are found to contain tested contaminants at levels in excess of allowable standards, and the parties are unable to agree upon a plan for handling and/or disposition of the contaminated sediments, this Interim Order shall become void except for paragraph 19 which provides for adjournment of dates originally established by the Final Pretrial Order. In such event, the parties shall be returned to their original positions in the present litigation prior to issuance of this Interim Order without waiver of, or prejudice to, their respective rights, claims, and defenses.

(d) A sediment management plan. In connection with the sediment management plan:

- (i) Golden Lotus shall document impoundment sediment quantity and quality;
- (ii) All vertical cores shall be characterized as to the sediment composition at 6-inch intervals at the point of refusal;

(iii) Golden Lotus shall collect sediment samples to document the size of sediments capable of moving through the system due to dam removal and associated restoration measures;

(iv) It must include information on the dimension, pattern and profile of the Pigeon River in the former impoundment after restoration, if determined necessary, floodplain construction at the bankfull elevation and bank grading (i.e., appropriate bank height ratios) to address stream stability, erosion and sediment loading;

(v) Spoils and other related materials shall not be placed within the 100-year floodplain of the Pigeon River; the phrase "spoils and other related materials" is not intended to include:

(A) Bank grading and sediment balancing contemplated by subparagraph (iii) above; and,

(B) Seeding and planting as provided in paragraph 8 below; and,

(C) Improvements including, by way of example and not limitation, sediment control structures, boardwalk, rip-rap, and retaining walls, which are installed or constructed pursuant to appropriate permits;

(vi) No retention pond shall be created or constructed by Golden Lotus within the area of the current impoundment (this is not intended to apply to naturally occurring "off-channel" ponds and depressions resulting from the draw-down);

(vii) The sediment management plan shall evaluate the need for construction of an in-stream sediment basin located below the existing dam

structure, and, if "meaningful" sand movement is predicted following consultation with Burroughs due to dam removal and associated restoration measures, it may be required by DNRE as a condition of the permit;

(viii) If a sediment basin is required by DNRE, it shall be constructed by Golden Lotus and maintained for so long as necessary following dam removal in accordance with the dam removal permit(s).

(e) A requirement that survey datum be tied to a real time (or "RTK") benchmark to establish accurate locations and elevations. Golden Lotus' experts shall use a "total station" or other conventional method for the survey in order to provide as comprehensive data as possible, including estimates of sediment volume and development of a contour map of existing conditions.

(f) Conducting a longitudinal profile of the affected portion of the river. In this regard:

(i) The longitudinal profile shall include a survey of the thalweg from a characteristic stable upstream riffle to a characteristic riffle downstream of the dam that is not affected by the dam;

(ii) Measurements shall include stream bottom at significant slope breaks, water surface, water's edge, and occasional bank height and bankfull elevation; and,

(iii) Permanent monuments shall be placed to document the extent of the longitudinal profile.

(g) Conducting six (6) to twelve (12) cross-section transects. In this regard:

(i) The transects shall include stream bottom at significant slope breaks, sediment depth, water surface, water's edge, top of bank, bankfull

elevation, and estimated 100-year floodplain on both sides of the river or impoundment;

(ii) The transects shall extend up to the estimated 100-year floodplain on both sides of the river or impoundment; and,

(iii) Permanent monuments shall be placed at each cross-section transect.

(h) Identification of an reference reach (i.e., same valley type and predicated or designed stream type) with a longitudinal profile, with a minimum of three cross-section transects with detail as described above, sediment samples or pebble counts as described above, identification of bankfull elevation, placing of permanent monuments, and calculation of bankfull discharge.

(i) A design which ensures environmental and resource protection and enhancement in compliance with applicable law and standards, and consistent with this Interim Order. The parties shall cooperate in good faith in considering and implementing various cost-effective options and safety concerns in connection with the dam removal plan and all other activities contemplated by this Interim Order.

8. The procedure for "draw-down" of the impoundment will be determined in good faith by DNRE upon its review and approval of the dam removal and sediment management plan, and after good faith consultation with Burroughs and Golden Lotus' experts. The "draw-down" shall be closely monitored by Golden Lotus in a manner which is consistent with the approved permit and sediment management plan. If it is determined by the DNRE that the "draw-down" should be modified to account for weather and other events, DNRE or its designee shall notify Golden Lotus in writing of the modification and Golden Lotus and its experts shall promptly take the steps necessary to accomplish such modification.

9. As the current impoundment is drained and sediments become exposed, Golden Lotus shall be required to seed the exposed areas with grasses, trees, and shrubs, so long as they are native, non-invasive plants. "Invasive plants" are defined as those that have been demonstrated by governmental agencies or the Michigan Invasive Plant Council to have aggressive growth characteristics and that threaten native ecosystems by dominating the normal vegetation of an area. Golden Lotus shall submit to the DNRE in advance a written list of the species which it desires to plant in connection with the dam removal project. DNRE shall in good faith promptly review each submitted list in consultation with Burroughs and promptly advise Golden Lotus in writing whether it approves or objects to any of the listed species. If it objects to any of the species, it shall notify Golden Lotus in writing of the reason(s) for its objection. The parties shall cooperate in good faith to ensure that appropriate species of trees, shrubs and plants are introduced to the exposed areas of the current impoundment in accordance with sound environmental practices and to achieve the best possible aesthetic outcome.

10. As part of the restoration phase of the dam removal process, Golden Lotus may apply for a permit or permits to create additional wetlands within the impoundment area following drawdown.

11. As part of the restoration phase of the dam removal process, Golden Lotus shall develop a vegetation management plan for re-vegetation of the impoundment area following drawdown for DNRE review and approval. Plaintiffs are willing to support Golden Lotus application for permit or variance, which ever is applicable, to the DNRE Zoning Review Board and County Zoning Ordinance for approval.

12. Golden Lotus shall direct its experts to work closely with the Review Team, DNRE, and Burroughs. Burroughs will actively participate in the dam removal planning, permitting, and implementation process. Burroughs and Golden Lotus' experts shall regularly

consult with appropriate DNRE personnel regarding all aspects of the dam removal project, sediment management plan, and all other work contemplated by this Interim Order.

13. The parties shall cooperate with each other in good faith to accomplish dam removal in accordance with the provisions of this Interim Order, it being understood that neither they nor the Court can precisely predict what requirements may reasonably be required in order to accomplish the contemplated dam removal, including by way of example and not limitation, construction and maintenance of grade and sediment control devices and structures. Golden Lotus will comply with such requirements as may be reasonably imposed by the DNRE as a condition for the permit(s), subject to the requirement that the DNRE consult in good faith with Golden Lotus' experts and Burroughs.

14. Golden Lotus shall be entitled to maintain the current bridge; or, if in the opinion of a qualified, licensed engineer it must be removed as part of the contemplated dam removal project, Golden Lotus shall be entitled to construct a comparable bridge across the Pigeon River at the same or the nearest feasible location. Golden Lotus shall be responsible for obtaining all necessary permits for, and financing of, bridge replacement; provided, so long as the replacement bridge conforms with applicable engineering standards for safety and environmental protection standards, DNRE shall process all application(s) for construction of the replacement bridge, including by way of example and not limitation, any permit(s) required pursuant to Part 305 of the NREPA (Natural Rivers Act) and any other applicable state law requiring a permit. DNRE and Interveners shall cooperate in good faith with Golden Lotus with respect to bridge replacement if it becomes necessary.

15. To the extent that Golden Lotus desires to conduct work which is outside the purview of the activities contemplated or required by this Interim Order (including, by way of example and not limitation, a boardwalk or other structure along the banks of the restored river

following dam removal), Defendant shall be responsible for obtaining all additional permits which may be required by other laws, including, but not limited to, Part 305 of the NREPA.

16. DNRE and Interveners will assist Golden Lotus in good faith to identify grants and other funding sources to help pay for the activities and construction contemplated by this Interim Order; provided, Golden Lotus shall be responsible to apply for any such identified funding, it being understood that DNRE and Interveners are not providing assurances that such funding is necessarily available.

17. Upon DNRE issuance of necessary permits for dam removal pursuant to this Interim Order, the parties shall enter into a Consent Judgment filed with the Otsego County Circuit Court embodying the terms of final settlement of this matter. The Consent Judgment shall include:

(a) A money judgment in favor of DNRE and against Golden Lotus in the amount of \$150,000 as mitigation for alleged damages and DNRE investigation costs, which judgment shall provide for payment on the following terms:

(i) Golden Lotus shall pay \$15,000 within ten (10) days of the entry of the Consent Judgment by the Court;

(ii) Golden Lotus shall pay \$15,000 on the anniversary date of the Consent Judgment for each of the succeeding nine (9) years until the entire sum is paid in full;

(iii) The judgment shall not bear interest unless any payment is not paid within ten (10) days of the date on which it is due, in which case such delinquent payment shall bear interest at the published rate for money judgments in the State of Michigan until the delinquency is paid;

(iv) Golden Lotus shall have the right to prepay the judgment in whole or in part at any time without penalty; and,

(v) Upon payment of the judgment amount in full (including judgment interest if applicable), DNRE shall promptly file a Satisfaction of Judgment with the Circuit Court..

(vi) In the unlikely event that Golden Lotus defaults on the money judgment and a judgment lien is granted against the property, the DNRE is willing to limit the lien to the areas of Golden Lotus property that are not presently dedicated for leases, or condominiums if there is a conversion.

(b) Dismissal with prejudice of all claims of DNRE and Interveners arising out of, from, or in connection with: the Complaint, the Complaint of Interveners, the acts and omissions alleged in the Complaint and Complaint of Interveners, and, the events of June 22 and 23, 2008 (collectively, the "Claims"), and, all claims for injuries, damages, losses, mitigation, costs, and attorneys fees, incurred or alleged to have been incurred in connection with the Claims.

(c) Acknowledgment by the parties that the Consent Judgment is not to be construed or interpreted as an assertion or admission of liability on the part of any party, instead, represents the compromise of disputed claims and the sincere desire of all parties to protect and preserve the Pigeon River and the Pigeon River watershed.

18. DNRE and Interveners and their affiliates, shall not file nor bring any other civil proceeding in any court or tribunal against Golden Lotus, its directors, members, employees, experts, attorneys, or other representatives, arising out of, from, or in connection with the Claims, and, shall not file or bring an civil action in any court or other tribunal for injuries, damages, losses, mitigation, costs, and attorneys fees, incurred or alleged to have been incurred in connection with the Claims. This Interim Order does not affect the criminal investigation by the DNRE and State of Michigan to determine whether the events of June 22-23, 2008, involved criminal activity, nor from commencing criminal action against Golden Lotus or other parties if

subsequent investigation determines there is reasonable cause to believe that criminal activity may have occurred.

19. The stipulation of the parties below is not to be construed or interpreted as an admission of liability on the part of any party instead, it and this Interim Order represent the compromise of disputed claims and the sincere desire of all parties to protect and preserve the Pigeon River and the Pigeon River watershed.

20. State Plaintiff will provide press release(s) regarding settlement or the subject matter of the litigation to the Defendant prior to submission to the public. State Plaintiffs will refrain from including in the press releases any language which is derogatory of Golden Lotus or which directly or indirectly indicates that Golden Lotus has committed any wrongdoing, it being the intention of DNRE and Golden Lotus to express in the press releases a genuine desire to work together for the protection and preservation of the Pigeon River and its watershed.

21. Interveners and Golden Lotus will cooperate in exchanging draft press releases prior to their issuance. Interveners and their affiliates shall refrain from including in the press releases any language which is derogatory of Golden Lotus or which directly or indirectly indicates that Golden Lotus has committed any wrongdoing, it being the intention of Interveners and Golden Lotus to express in the press releases a genuine desire to work together for the protection and preservation of the Pigeon River and its watershed.

22. All further proceedings and deadlines in this matter are stayed indefinitely pending further Order of this Court. In the unlikely event that the conditions precedent to full implementation of the provisions of this Interim Order as set forth in paragraph 7(c)(vi), this Interim Order shall become null and void. In such event:

(a) The parties shall be returned to their original positions in the present litigation prior to issuance of this Interim Order without waiver of, or prejudice to, their respective rights, claims, and defenses; and,

(b) The parties shall promptly notify the Court of the failure of the condition(s) precedent, whereupon the Court shall promptly set a date and time to meet and confer with counsel to prepare and issue a revised Scheduling Order to establish new discovery deadlines, motion deadlines, pretrial conference(s), trial, and determine other appropriate proceedings.

23. This is not a final order resolving all claims in the litigation and the Court retains continuing jurisdiction pending completion of the conditions precedent to entry of a final Consent Judgment as set forth above

Dennis F. Murphy, Circuit Judge

STIPULATION

Counsel for the parties stipulate to entry of the foregoing Interim Order.

April __, 2010

Pamela J. Stevenson
Attorney for DNRE and Humphries

April __, 2010

Peter L. Gustafson
Attorney for Interveners

April __, 2010

William M. Schlecte
Attorney for Golden Lotus

April __, 2010

Harry Ingleson, II
Co-Counsel for Golden Lotus

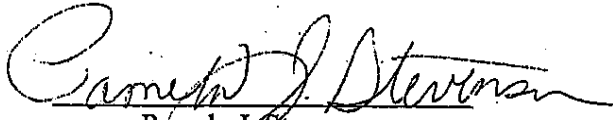
Golden Lotus joins in the above Stipulation and concurs in entry of the Interim Order as evidenced by the Certified Resolution of the Board of Directors attached as **Exhibit A**.

1773026

STIPULATION

Counsel for the parties stipulate to entry of the foregoing Interim Order.

April 2, 2010


Pamela J. Stevenson
Attorney for DNRE and Humphries

April __, 2010

Peter L. Gustafson
Attorney for Interveners

April __, 2010

William M. Schlecte
Attorney for Golden Lotus

April __, 2010

Harry Ingleson, II
Co-Counsel for Golden Lotus

Golden Lotus joins in the above Stipulation and concurs in entry of the Interim Order as evidenced by the Certified Resolution of the Board of Directors attached as **Exhibit A**.