RONALD J. TENPAS
Assistant Attorney General
ANDREW A. SMITH
Trial Attorney
New Mexico State Bar No. 8341
United States Department of Justice
Environment and Natural Resources Division
c/o U.S. Attorneys Office
P.O. Box 607
Albuquerque, New Mexico 87103
Telephone: (505) 224-1468
Facsimile: (505) 346-7205
E-Mail: andrew.smith@usdoj.gov

Attorneys for Federal Defendants

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

PRESCOTT DIVISION

CENTER FOR BIOLOGICAL DIVERSITY, et al., Plaintiffs, v. LINDA WADLEIGH, et al.,[1] Federal Defendants, and VANE MINERALS (US) LLC, Defendant-Intervenor.	Civ. No. 08-8031-PCT-MHM **SETTLEMENT AGREEMENT**

WHEREAS on March 12, 2008, Plaintiffs Center for Biological Diversity, Grand Canyon Trust, and Sierra Club filed their "Complaint for Declaratory and Injunctive Relief," Dkt. No. 1, against Federal Defendants Richard Stahn and the U.S. Forest Service for alleged violations of the National Environmental Policy Act ("NEPA"), 42 U.S.C. §§ 4321, et seq.,

[1] Pursuant to Federal Rule of Civil Procedure 25(d)(1), Linda Wadleigh, Acting District Ranger for the Tusayan Ranger District on the Kaibab National Forest, is substituted in her official capacity for her predecessor, Richard Stahn.

and the Appeals Reform Act ("ARA"), 16 U.S.C. § 1612 note, in connection with the agency's December 20, 2007 Decision Memorandum approving exploratory uranium drilling and accompanying ground-disturbing activities at seven sites on the Tusayan Ranger District of the Kaibab National Forest ("VANE Project");

WHEREAS Plaintiffs filed their "First Amended Complaint for Declaratory and Injunctive Relief," Dkt. No. 8, on March 24, 2008;

WHEREAS on March 24, 2008, Plaintiffs moved for a temporary restraining order and preliminary injunction;

WHEREAS on March 27, 2008, the Court granted a Motion to Intervene as a Defendant to VANE Minerals (U.S.), LLC, the company authorized to conduct the challenged exploratory uranium drilling activities;

WHEREAS on April 4, 2008, the Court issued a preliminary injunction enjoining all exploratory uranium drilling activities authorized in Federal Defendants' December 20, 2007 Decision Memorandum and March 13, 2008 Plans of Operation, the Court issued a written order on April 10, 2008, and Plaintiffs posted a $5,000 bond with the Clerk of the Court;

WHEREAS the Parties believe that settlement of this matter is in the best interest of the public, the Parties, and judicial economy, and believe this settlement to be a just, fair, adequate, and equitable resolution of the dispute set forth in the Amended Complaint;

NOW THEREFORE, the Plaintiffs, Federal Defendants, and Defendant-Intervenor VANE Minerals hereby stipulate and agree as follows:

1. Federal Defendants and Defendant-Intervenor hereby withdraw all applications and approvals of the VANE Project, including the December 20, 2007 Decision Memorandum and the seven March 13, 2008 Plans of Operation, with the exception of the March 13, 2008 Plans of Operations for the CP-3, CP-6, and CP-8 sites, which shall remain in force and effect of law only to the extent that these Plans require reclamation and restoration activities at the three sites in accordance with the terms of the December 20, 2007 Decision Memorandum.

2. Prior to authorizing future exploratory uranium drilling and accompanying ground-disturbing activities at the seven sites that were part of the VANE Project, Federal Defendants will prepare an environmental impact statement ("EIS") under NEPA that will analyze and disclose the potential environmental effects for future exploratory uranium drilling and accompanying ground-disturbing activities at the seven sites that were part of the VANE Project. Within 30 days, Federal Defendants will publish in the Federal Register a Notice of Intent to prepare such an EIS.

3. In agreeing to prepare an EIS for these activities, Federal Defendants do not concede that either an environmental assessment or EIS is required by law. Notwithstanding this agreement that Federal Defendants will prepare an EIS for the VANE Project, Plaintiffs do not concede that exploratory uranium drilling and accompanying ground-disturbing activities are legal or appropriate in this area.

4. Federal Defendants will not approve future exploratory uranium drilling and accompanying ground-disturbing activities at any of the seven sites that were part of the VANE Project through a categorical exclusion or environmental assessment under NEPA. Federal Defendants will require the submission of Plans of Operation from Defendant-Intervenors, as described in Forest Service regulations, and approve such Plans of Operation prior to authorizing any future exploratory uranium drilling and accompanying ground-disturbing activities at the seven sites that were part of the VANE Project.

5. Upon publication of the Notice of Intent to prepare an EIS for future exploratory uranium drilling and accompanying ground-disturbing activities at the seven sites that were part of the VANE Project in the Federal Register, Plaintiffs, Federal Defendants, and Defendant-Intervenor, pursuant to Federal Rule of Civil Procedure 41(a)(1), will stipulate to the dismissal with prejudice of all claims in this case, as set forth in Plaintiffs' March 12, 2008 "Complaint for Declaratory and Injunctive Relief," Dkt. No. 1, as amended by Plaintiffs' March 24, 2008 "First Amended Complaint for Declaratory and Injunctive Relief," Dkt. No. 8, except for Plaintiffs' challenge that the U.S. Forest Service allegedly

violated NEPA in adopting the provisions of the Forest Service Handbook ("FSH") 1909.15, Part 30, which the Parties will stipulate to dismiss without prejudice, allowing Plaintiffs to include such a challenge in actions against other Forest Service decisions and projects. The Stipulation of Dismissal that the Parties will execute and file pursuant to this provision is attached hereto as Exhibit A.

6. Nothing herein precludes Plaintiffs from administratively appealing or bringing a new lawsuit challenging future decisions authorizing exploratory uranium drilling at the seven sites that were part of the VANE Project, or challenging any other future actions or decisions of the Federal Defendants.

7. The Forest Service will pay Plaintiffs a lump sum total of eighty-five thousand dollars ($85,000.00) in full and complete satisfaction of any and all claims for attorneys' fees, costs, and expenses that all Plaintiffs have or may have in the above-captioned case. Payment in that amount shall be made by electronic funds transfer to Plaintiffs in accordance with information provided by Plaintiffs. The Forest Service agrees to submit all necessary paperwork to the Department of the Agriculture's processing office within thirty (30) days after the filing of the Stipulation of Dismissal pursuant to Paragraph 5 above and receiving all information from Plaintiffs necessary for preparing this paperwork. Plaintiffs agree that Plaintiffs' receipt of this payment on behalf of all Plaintiffs shall operate as a release of any and all claims and future claims for attorneys' fees, costs, and expenses that Plaintiffs may seek in the above-captioned case. Upon receipt of the payment, Plaintiffs shall execute and send a letter confirming receipt to counsel for Federal Defendants.

8. The $5,000 bond that Plaintiffs posted with the Clerk of the Court shall be released to Plaintiffs upon execution of the Stipulation of Dismissal.

9. This Settlement Agreement is a public document and its terms may be discussed freely by the Parties with members of the public; nonetheless, all settlement discussions and documents created and distributed during settlement negotiations will remain confidential, except as agreed in writing by all Parties.

10. The undersigned representatives of the Parties certify that they are fully authorized by the Party or Parties whom they represent to enter into the terms and conditions of this Settlement Agreement and to legally bind the Parties to it. By executing this Settlement Agreement, Plaintiffs release Defendants from any and all claims brought by or which could have been brought by Plaintiffs arising from the subject of this lawsuit.

11. Nothing in this Settlement Agreement shall be interpreted as, or shall constitute, a commitment or requirement that Federal Defendants obligate or pay funds, or take any other actions in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341 or any other applicable law. Plaintiffs assert that this Settlement Agreement does not create a conflict with the Anti-Deficiency Act and intend to assert this position if Federal Defendants fail to comply with the terms of this Agreement for reasons of insufficient appropriations. Nothing in this Settlement Agreement shall be construed to deprive a federal official of authority to revise, amend, or promulgate regulations.

12. All federal agency obligations under this Settlement Agreement may be subject to compliance with any applicable procedures under NEPA and other federal law. The Parties recognize that pending completion of any NEPA and other documentation that may be required, any federal agency undertaking for which NEPA documentation must be prepared constitutes a proposal for federal action, subject to completion of the NEPA process, and may be altered or declined by the responsible federal agency as necessary or appropriate, within the agency's discretion, based on the results of the NEPA analysis.

13. This Settlement Agreement contains all of the agreements between the Parties, and is intended to be and is the final and sole agreement between the Parties concerning the complete and final resolution of Plaintiffs' claims. The Parties agree that any other prior or contemporaneous representations or understandings not explicitly contained in this Settlement Agreement, whether written or oral, are of no further legal or equitable force or effect. Any subsequent modifications to this Settlement Agreement must be in writing, and must be signed and executed by the Parties.

14. It is hereby expressly understood and agreed that this Settlement Agreement was jointly drafted by Plaintiffs, Federal Defendants, and Defendant-Intervenor. Accordingly, the Parties hereby agree that any and all rules of construction, to the effect that ambiguity is construed against the drafting party, shall be inapplicable in any dispute concerning the terms, meaning, or interpretation of the Settlement Agreement.

15. This Settlement Agreement does not constitute an admission by any Party to any fact, claim, liability, or defense on any issue in this lawsuit. This Settlement Agreement has no precedential value and shall not be admissible in any other proceeding except those involving the same sites at issue in this case.

Respectfully submitted this 25th day of September, 2008.

Attorneys for Plaintiffs:

/s/ Marc D. Fink
Marc D. Fink (pro hac vice)
Center for Biological Diversity
4515 Robinson Street
Duluth, Minnesota 55804
Tel: 218-525-3884; Fax: 218-525-3857
mfink@biologicaldiversity.org

/s/ Neil Levine
Neil Levine (pro hac vice)
Grand Canyon Trust
2539 Eliot Street
Denver, Colorado 80211
Tel: 303-455-0604; Fax: 303-484-8470
nlevine@grandcanyontrust.org

/s/ Roger Flynn
Roger Flynn (pro hac vice)
Western Mining Action Project
P.O. Box 349
440 Main St., #2
Lyons, Colorado 80540
Tel: 303-823-5738; Fax: 303-823-5732
wmap@igc.org

Attorney for Federal Defendants:

Ronald J. Tenpas
Assistant Attorney General

/s/ Andrew A. Smith
Andrew A. Smith
United States Department of Justice
Env. & Natural Resources Division
c/o United States Attorney's Office
201 Third Street, N.W., Suite 900
P.O. Box 607
Albuquerque, New Mexico 87103
(zipcode is 87102 for street address)
Telephone No: (505) 224-1468
Facsimile No: (505) 346-7205
andrew.smith@usdoj.gov

Attorneys for VANE Minerals LLC:

/s/ Gary Urman
Gary Urman
John Lacy
DeConcini, McDonald, Yetwin, & Lacy
2525 East Broadway, Suite 200
Tucson, AZ 85716-5300
Telephone No: 520-322-5000
gurman@dmyl.com
jlacy@dmyl.com