

1-25-2021 4:25pm  
A. Walker, Deputy

1 **MARK BRNOVICH**  
2 **ATTORNEY GENERAL**  
3 **Firm Bar No. 14000**

3 **Adam J. Schwartz**  
4 **Assistant Attorney General**  
5 **State Bar No. 028969**  
6 **James C. Olson, II**  
7 **Assistant Attorney General**  
8 **State Bar No. 035710**  
9 **Environmental Enforcement Section**  
10 **2005 N Central Ave.**  
11 **Phoenix, Arizona 85004**  
12 **(602) 542-8530**  
13 **Environmental@azag.gov**  
14 ***Attorneys for Plaintiff***

10 **THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
11 **FOR MARICOPA COUNTY**

12 **STATE OF ARIZONA, *ex rel.***  
13 **MISAEEL CABRERA, Director, Arizona**  
14 **Department of Environmental Quality,**

15 **Plaintiff,**

16 **vs. GOLD PARADISE PEAK, Inc., a**  
17 **Nevada Corporation, and SINO**  
18 **VANTAGE GROUP, Inc., a California**  
19 **Corporation,**

20 **Defendants.**

**Civil Action No. CV2019-005385**

**CONSENT JUDGMENT**  
**as to GOLD PARADISE PEAK, Inc.**

**(Non-classified Civil)**

**(Assigned to the Hon. John Hannah)**

21 A. The Plaintiff State of Arizona ex rel. Misael Cabrera, Director, Arizona  
22 Department of Environmental Quality (“the State” or “ADEQ”), has filed a Complaint  
23 alleging violations by the Defendant of Arizona Revised Statutes (“A.R.S.”) Title 49,  
24 Chapter 2, Articles 3 and 3.1 and rules promulgated thereunder (the “Complaint”). The  
25  
26

1 State brought claims pursuant to A.R.S. § 49-262(A), (C) seeking injunctive relief and  
2 civil penalties.

3 B. Misael Cabrera is the Director of the Arizona Department of  
4 Environmental Quality (“ADEQ”) and has been duly authorized by the State to enter into  
5 this Consent Judgment for and on behalf of the State.

6 C. Defendant Gold Paradise Peak, Inc. (“GPPI”) is a Nevada corporation  
7 located at 204 West Spear Street, Unit #3597, Carson City, Nevada, 89703. GPPI owns  
8 and operates the Azurite and Sundance mines in Yavapai County, Arizona.

9 D. Defendant Sino Vantage Group, Inc. (“Sino Vantage”) is a California  
10 corporation located at 1650 South Amphlett Boulevard, Suite 200, San Mateo, California  
11 94402.

12 E. GPPI and Sino Vantage jointly own the Senator Mine in Yavapai County,  
13 Arizona.

14 F. Because GPPI has not applied for all necessary permits required under  
15 Arizona law, ADEQ has not issued GPPI all necessary permits required under Arizona  
16 law for the Azurite, Sundance, or Senator mines and those mines are impacting the  
17 environment, leading to the claims alleged in the Complaint.

18 G. On or about January 6, 2021 the State filed its Third Amended Complaint  
19 (“TAC”) in case No. CV2019-005385 in Maricopa County Superior Court against  
20 Defendants GPPI and Sino Vantage. GPPI acknowledges through its authorized  
21 representative that it has been served with a copy of the Summons and TAC in this action  
22 and has been fully advised of its right to a trial in this matter and waives the same.

23 G. GPPI admits the jurisdiction of this Court and that venue is proper in  
24 Maricopa County.

25 H. GPPI has consented to the terms and entry of this Consent Judgment and  
26 acknowledges that the State has made no promise of any kind or nature other than what

1 is set forth in this Consent Judgment, and that GPPI has entered into this Consent  
2 Judgment voluntarily and after due consideration.

3 I. It is in the best interests of the State and the public to enter into this  
4 Consent Judgment. The State and GPPI hereby intend to completely and finally settle  
5 and release the civil liability of GPPI for the violations described in the TAC, and hereby  
6 move the Court to enter this Consent Judgment according to the following terms:

7 1) GPPI shall implement the attached Compliance Schedules, Attachments A, B,  
8 and C, by the dates described therein.

9 2) The attached March 10, 2020, Preliminary Injunction, Attachment D, will  
10 remain in effect until the Azurite and Sundance Compliance Schedules  
11 described in Attachments A and B are completed, unless otherwise agreed to  
12 by the Parties.

13 3) Defendants shall pay the State's reasonable attorney fees and expert costs  
14 incurred in this action according to the schedule in Section VIII.

15 4) GPPI's breach of this Consent Judgment will lead to the assessment of deferred  
16 penalties as described in Section VII.

17 J. This Consent Judgment is only a settlement as to GPPI's liability for the  
18 violations described in the TAC.

19 **NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND**  
20 **DECREED** as follows:

21 **I. JURISDICTION AND VENUE**

22 A. The Court has jurisdiction over the subject matter of this action and the  
23 parties pursuant to Arizona Constitution Article 6, § 14 and A.R.S. §§ 12-123 and 49-  
24 262. The TAC states claims upon which relief may be granted against GPPI.

25 B. Venue is proper in Maricopa County pursuant to A.R.S. §§ 12-401(17) and  
26 49-265.

1 **II. BINDING EFFECT**

2 A. This Consent Judgment and its Attachments constitute and embody the full  
3 and complete understanding of the Parties and supersedes all prior understandings or  
4 agreements, whether oral or in writing, which pertain to the subject matter contained  
5 herein.

6 B. The State and GPPI hereby consent to the terms and entry of this Consent  
7 Judgment, and agree not to contest its validity in any subsequent proceeding. This  
8 Consent Decree applies to and is binding upon the State and upon GPPI, their officers  
9 and directors, successors and assigns, agents, servants, employees, attorneys and all  
10 persons, firms and corporations acting in active concert or participation with GPPI.

11 C. GPPI shall provide a copy of this Consent Judgment to each contractor  
12 retained to perform any activity required by this Consent Judgment. In any action to  
13 enforce this Consent Judgment, GPPI shall not raise as a defense the failure by any of its  
14 agents, servants, contractors, employees, successors or assigns to take actions necessary  
15 to comply with this Consent Judgment.

16 D. Neither any change in ownership or corporate status of GPPI nor any  
17 transfer of assets or real or personal property shall in any way alter GPPI's  
18 responsibilities under this Consent Decree, except as agreed to in writing and approved  
19 by the Court.

20 E. For the duration of this Consent Judgment, GPPI shall notify ADEQ in  
21 writing of any purchase, succession or other conveyance or assignment of any of GPPI's  
22 right, title or interest in the Properties at least thirty (30) days prior to such transfer. As a  
23 requirement of any such transfer, GPPI shall take any steps necessary to transfer to the  
24 transferee all permits issued by ADEQ related to the Properties. The Defendant shall give  
25 written notice of the existence of this action and provide a copy of this Consent Judgment  
26

1 to any prospective successors in interest or transferees of the Properties prior to actual  
2 transfer or succession.

3 F. GPPI shall maintain a right of access to its Properties. If any of the  
4 Properties or portions thereof are transferred by GPPI, GPPI shall establish an easement  
5 granting GPPI access the Properties and to conduct Work required by each Property's  
6 respective Compliance Schedule. The easement may be terminated upon termination of  
7 this Consent Judgment pursuant to Section XIX. The easement shall be recorded in the  
8 county in which the Property is located.

9 F. GPPI certifies that its undersigned representative is fully authorized by  
10 GPPI to enter into the terms and conditions of this Consent Judgment, to execute it on  
11 behalf of GPPI and to legally bind GPPI to its terms.

### 12 **III. DEFINITIONS**

13 The terms used in this Consent Judgment shall have the same meanings as defined  
14 in A.R.S., Title 49, Chapter 2, Articles 3 and 3.1 and all applicable regulations enacted  
15 thereunder.

16 "Azurite" means the Azurite mine, which is located on Yavapai County Parcel ID  
17 205-14-257 in Yavapai County, Arizona.

18 "Day" shall mean a calendar day, unless otherwise noted. In computing any  
19 period under this Consent Judgment, where the last day would fall on a Saturday,  
20 Sunday, or a State or Federal holiday, the period shall run until the close of business of  
21 the next working day.

22 "Defendants" means GPPI and Sino Vantage Group, Inc.

23 "Effective Date" shall be the date that the Consent Judgment is entered by this  
24 Court.

25 "Force Majeure" is defined as any event arising from causes beyond the  
26 reasonable control of GPPI or its contractors that delays the performance of any

1 obligation under this Consent Judgment. Force Majeure does not include financial  
2 inability to complete any requirement of this Consent Judgment.

3 “Parties” means GPPI, Sino Vantage Group, Inc., and ADEQ.

4 “Properties” means the parcels upon which Azurite, Sundance, and Senator mines  
5 are situated; Yavapai County Parcel IDs 205-14-257, 205-14-246P, 205-14-246N, and  
6 205-14-246N.

7 “Senator” means the Senator Mine, which is located on Yavapai County Parcel  
8 IDs 205-14-246P and 205-14-246N in Yavapai County, Arizona.

9 “State” means the Plaintiff, State of Arizona ex rel. Misael Cabrera, Director,  
10 Arizona Department of Environmental Quality. For purposes of this Consent Judgment,  
11 the State does not include any other Agency, Board, Commission, Department, Officer or  
12 employees of the State of Arizona.

13 “Sundance” means the Sundance Mine, which is located on Yavapai County  
14 Parcel 205-14-246N in Yavapai County, Arizona.

15 “Work” means the compliance schedules described by Attachments A, B, and C of this  
16 Consent Judgment.

#### 17 **IV. MANNER OF PAYMENT**

18 All payments made to the State under this Consent Judgment, including attorney’s  
19 fees, deferred civil penalty, and any interest payments, shall be made by cashier’s check  
20 or money order payable to ADEQ and shall be hand-delivered or mailed and postmarked,  
21 postage prepaid, to:  
22

23  
24  
25  
26 Assistant Director, Business and Finance  
Arizona Department of Environmental Quality

1 1110 W. Washington Street  
2 Phoenix, AZ 85007  
3 Attention: Accounts Receivable

4 together with a letter tendering the check. In the alternative, payments may be made by  
5 wire transfer. Bank account and routing information used for payment by wire transfer  
6 will be provided, upon request, by the ADEQ Assistant Director, Business and Finance,  
7 or their designee. All letters regarding payment shall identify this case by the names of  
8 the Parties and the Court docket number. Copies of the letters shall be sent to the Office  
9 of the Attorney General at:  
10

11 James C. Olson II  
12 Assistant Attorney General  
13 Environmental Enforcement Section  
14 Office of the Attorney General  
15 2005 N. Central Ave., Phoenix, Arizona 85004

16 and to ADEQ at:

17 Manager  
18 Randall Matas  
19 Arizona Department of Environmental Quality  
20 1110 W. Washington Street  
21 Phoenix, AZ 85007

22 **V. WORK/COMPLIANCE SCHEDULE**

23 A. Defendant GPPI shall comply with the Compliance Schedules attached to  
24 this Consent Judgment, Attachments A, B, and C.

25 B. Failure to timely complete Compliance Schedule Work will lead to the  
26 assessment of deferred penalties pursuant to Section VII.

C. The attached Preliminary Injunction ordered by this Court on March 10,  
2020, Attachment D, shall remain in effect until the Azurite Compliance Schedule

1 (Attachment A) and the Sundance Compliance Schedule (Attachment B) have been  
2 satisfied, and upon written approval from ADEQ. Such approval shall not be  
3 unreasonably withheld. Notwithstanding the above, the Parties may agree to terminate  
4 the Preliminary Injunction.

5 D. GPPI shall submit a written status report according to the requirements of  
6 Section VI to ADEQ every thirty (30) calendar days from the Effective Date of the  
7 Consent Judgment, until the termination of the Consent Judgment pursuant to Section  
8 XIX.

#### 9 **VI. SUBMISSIONS**

10 A. Documents, materials, or notices submitted in accordance with this Consent  
11 Judgment shall be deemed submitted when postmarked, return receipt requested,  
12 accepted for delivery by a commercial delivery service, sent by telecopy, or hand  
13 delivered.

14 B. All reports submitted to the State pursuant to this Consent Judgment shall  
15 certify under penalty of law that the information contained in the report is true, accurate  
16 and complete by having an authorized representative of the Defendant sign the following  
17 statement:

18 I certify under penalty of law that this document and all attachments, if any,  
19 were prepared under my direction or supervision by qualified personnel  
20 responsible for properly gathering and evaluating the information  
21 submitted. Based on my inquiry of the person or people who are  
22 responsible for gathering and evaluating the information, to the best of my  
23 knowledge and belief, the information submitted is true, accurate and  
24 complete. I am aware that there are significant penalties for knowingly  
25 submitting false information, including the possibility of fines and  
26 imprisonment for knowing violations.

#### 25 **VII. DEFERRED PENALTIES**



1 The Defendants shall be jointly and severally liable to the State for the additional  
2 sum of six hundred thousand U.S. dollars and no cents (\$600,000) as a deferred civil  
3 penalty ("Deferred Civil Penalty"). Upon violation of any Compliance Schedule item,  
4 GPPI agrees to pay the Deferred Civil Penalty to the State based on the schedule below  
5 up to a maximum of \$600,000, unless the Parties agree that the failure is due to a Force  
6 Majeure pursuant to Section X.

7 A. With respect to the Compliance Schedule set forth in Attachment C  
8 regarding the Senator Mine, if either Defendant fails to comply with any of the  
9 requirements of this Consent Judgment or a Compliance Schedule attached to this  
10 Consent Judgment, Defendants shall jointly and severally pay the following Deferred  
11 Penalties pursuant to the schedule below, up to a cumulative maximum of six hundred  
12 thousand dollars (\$600,000):

<u>Period of Failure to Comply</u>	<u>Deferred Penalties Per Day of Violation</u>
14 1st through 14th day	\$1,000 per day per violation
15 15th through 28th day	\$5,000 per day per violation
16 After 28 days	\$10,000 per day per violation

17 B. With respect to the Compliance Schedules set forth in Attachments A and B  
18 regarding the Azurite and Sundance properties, if GPPI fails to comply with any of the  
19 requirements of this Consent Judgment or a Compliance Schedule attached to this  
20 Consent Judgment, GPPI shall pay the following Deferred Penalties pursuant to the  
21 schedule below, up to a cumulative maximum of six hundred thousand dollars  
22 (\$600,000):

<u>Period of Failure to Comply</u>	<u>Deferred Penalties Per Day of Violation</u>
24 1st through 14th day	\$1,000 per day per violation
25 15th through 28th day	\$5,000 per day per violation
26 After 28 days	\$10,000 per day per violation

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

C. Unless a Defendant invokes, in writing, the dispute resolution procedure specified in Section IX of this Consent Judgment, Defendants shall pay the Deferred Penalties set forth in this Section within fourteen (14) days following written demand by the State. Payment shall be made in the manner set forth in Section IV. Deferred Penalties shall begin to accrue on the day after performance is due and shall continue through the final day of completion, even if no notice is sent to the Defendant. Nothing herein shall prevent the simultaneous accrual of separate Deferred Penalties for separate violations of the Consent Judgment or a Compliance Schedule attached to this Consent Judgment.

D. Deferred Penalties shall accrue as provided in this Section during the dispute resolution procedure required by Section IX of this Consent Judgment, but the due date for payment Deferred Penalties shall be extended until the dispute resolution process is concluded.

**VIII. ATTORNEY'S FEES AND COSTS**

A. The Defendants shall jointly and severally pay the State's costs and attorney's fees in the total amount of one hundred and fifty thousand United States dollars (\$150,000.00) pursuant to A.R.S. § 49-262 (D) according to the schedule set forth below.

Within thirty (30) days from the Effective Date, the Defendants shall jointly and severally pay the sum of ten thousand dollars (\$10,000);

Within two hundred (200) days of the Effective Date, the defendants shall jointly and severally pay an additional forty thousand dollars (\$40,000);

Following the two payments described above, the Defendants shall jointly and severally pay the sum of three thousand five hundred dollars (\$3,500) a month until the sum of all payments is equal to one hundred and fifty-thousand dollars (\$150,000).

1 B. GPPI may make any payment required by this Consent Judgment at any  
2 time prior to the deadline specified in this Consent Judgment without premium or  
3 penalty.

4 C. The State shall have the right to record this Consent Judgment in every  
5 County in Arizona.

6 D. Defendants shall bear their own costs and attorney's fees in this action.

7 E. In addition to the schedule created by Paragraph A of this Section, GPPI  
8 shall be liable for the State's reasonable costs and attorney fees incurred in enforcing this  
9 Consent Judgment, if the state prevails, pursuant to Section XI.

#### 10 **IX. DISPUTE RESOLUTION**

11 A. All decisions of the State rendered pursuant to Sections V and XI of this  
12 Consent Judgment or pursuant to any Compliance Schedule attached to this Consent  
13 Judgment including, but not limited to, the meaning or the application of this Consent  
14 Judgment and its provisions, or whether GPPI is in compliance with its terms, shall be  
15 delivered in writing to GPPI in the manner described in Section VI with an explanation  
16 for the decision. Such decisions shall be final unless a Defendant invokes the dispute  
17 resolution provisions below.

18 B. After notice is received by GPPI as provided in Paragraph A above, the  
19 Parties shall engage in informal negotiations regarding the dispute for a period of ten (10)  
20 business days, or for a longer period mutually agreed upon by the Parties.

21 C. If the dispute is not resolved pursuant to the informal process described in  
22 Paragraph B above, the State shall issue a written decision regarding the matter in  
23 dispute. The decision of the State shall be considered final and binding unless GPPI  
24 requests, in writing and within five (5) business days of receipt of the State's decision,  
25 that the Water Quality Division Value Stream Manager (either the Groundwater or  
26 Surface Water manager, depending on the nature of the dispute) reconsider the initial

1 decision. The appropriate Value Stream Manager shall issue a final written decision after  
2 receipt of the request. The written decision of the Value Stream Manager is final and  
3 binding.

4 D. GPPI waives any right to any judicial review of an administrative decision  
5 pursuant to A.R.S. Title 12, any formal administrative appeal pursuant to A.R.S. Title 41  
6 or any informal appeal pursuant to A.R.S. § 49-1091 which relates to this Consent  
7 Judgment. GPPI retains the right to ask this Court to resolve any dispute GPPI has with  
8 the written decision of the Value Stream Manager.

9 E. Any disputes not covered by this Section shall be within the exclusive  
10 jurisdiction of this Court for resolution.

11 F. GPPI's invocation of this Section shall not itself toll or extend any time  
12 periods for performance by GPPI under the provisions of this Consent Judgment.

#### 13 X. FORCE MAJEURE

14 A. GPPI shall perform all the requirements of this Consent Judgment  
15 according to the time limits set forth herein, unless its performance is prevented or  
16 delayed by events which constitute a Force Majeure. GPPI shall take all reasonable  
17 measures to prevent or minimize any delay in performing the requirements of this  
18 Consent Judgment.

19 B. If any Force Majeure event occurs that may delay the performance of any  
20 work under this Consent Judgment, the Defendant shall notify Water Quality Division  
21 Value Stream Manager (either the Groundwater or Surface Water manager, depending on  
22 the nature of the Force Majeure) at ADEQ within 48 hours. Within ten (10) days of the  
23 Force Majeure event GPPI shall provide to appropriate Value Stream Manager at ADEQ  
24 in the manner provided under Section VI a written explanation and description of the  
25 reasons for the delay in performance; the anticipated duration of the delay; all actions  
26 taken or to be taken to prevent or minimize the delay; a schedule for implementation of

1 any measures to be taken to prevent or mitigate the delay or the effect of the delay; and  
2 the rationale for attributing such delay to a Force Majeure event. Failure to comply with  
3 the above requirements shall preclude GPPI from asserting any claim of Force Majeure.  
4 GPPI shall be deemed to have knowledge of any Force Majeure circumstance of which  
5 its contractors, or any party acting on its behalf had or should have had knowledge.

6 C. If the State agrees that the delay in performance is attributable to a Force  
7 Majeure event or is reasonable under the circumstances, the time for performance of the  
8 obligations under this Consent Judgment that are affected by the Force Majeure event and  
9 the time for performance of any activity dependent on the delayed activity shall be  
10 extended for such time as is necessary to complete those obligations. An extension of  
11 time for performance of the obligations affected by the Force Majeure event or non-Force  
12 Majeure event shall not, of itself, extend the time for performance of any other  
13 obligation. If the State does not approve the delay or agree that the delay or anticipated  
14 delay has been or will be caused by a Force Majeure event, or is not otherwise  
15 reasonable, the State shall notify GPPI in writing of its decision. If the State agrees that  
16 the delay is attributable to a Force Majeure event or is reasonable under the  
17 circumstances, the State shall notify GPPI in writing of the length of the extension which  
18 will be equivalent in time to the reasonable delay, if any, for performance of the  
19 obligations affected by the Force Majeure event, or as otherwise approved by the State.  
20 The decision of the State pursuant to this paragraph is subject to the dispute resolution  
21 procedure in Section IX of this Consent Judgment.

22  
23  
24 **XI. MATERIAL BREACH**

25 Any failure by the Defendants to pay the Deferred Penalty within the times  
26 specified by Section VII, pay the State's Attorney's Fees and Costs according to the

1 schedule specified by Section VIII or conduct the Work within the timeframes required  
2 by the Compliance Schedules attached to this Consent Judgment and as described in  
3 Section V.A. shall constitute a material breach and violation of this Consent Judgment.

4 The State, in its sole discretion, shall have the option of either:

5 A. Enforcing this Consent Judgment through the Court, in which case the  
6 Defendant shall be liable for interest and additional penalties pursuant to the provisions  
7 of A.R.S. § 49-113(B) and the State's reasonable costs and attorney fees incurred in  
8 enforcing this Consent Judgment; or

9 B. Declaring the Consent Judgment null and void, and the State may pursue  
10 the TAC or refile this action against the Defendants. In this event, the time period since  
11 the filing of the TAC shall not be included for purposes of calculating time for any  
12 affirmative defense, including estoppel, waiver, laches, or the expiration of any statute of  
13 limitations and the State may pursue the TAC or refile this action against the Defendants.  
14 In any future actions for the violations contained in the TAC, the Defendants shall  
15 receive credit for any civil penalties paid to the State pursuant to this Consent Judgment.

## 16 XII. RELEASE

17 A. Upon fulfillment of its obligations under Sections V, VII, and VIII, and the  
18 Compliance Schedules attached to this Consent Judgment, the Defendants and all of their  
19 past, present, and future directors, officers, shareholders, employees, agents, trustees,  
20 attorneys, successors, assigns, parent corporation and related entities are hereby released  
21 from any and all civil liability to the State for any and all violations alleged in the TAC  
22 and violations unalleged as of the effective date of this Consent Judgment and of which  
23 the State has either formal or informal notice and occurred at either the Azurite,  
24 Sundance, or Senator mines.

25 B. This release does not cover criminal liability under any local, state or  
26 federal statute or regulation.

1 C. The Defendants and all of their past, present, and future directors, officers,  
2 shareholders, employees, agents, trustees, attorneys, successors, assigns, parent  
3 corporation and related entities release the State of Arizona, its agencies, departments,  
4 officials, employees or agents from any and all claims or causes of action against arising  
5 under or related to the violations alleged in the TAC and violations unalleged as of the  
6 effective date of this Consent Judgement of which the State has either formal or informal  
7 notice and occurred at either the Azurite, Sundance, or Senator.

### 8 **XIII. SAVINGS CLAUSE**

9 If any provision of this Consent Judgment or its Attachments is declared by this  
10 Court to be invalid or unenforceable, the invalidity shall not affect other provisions of the  
11 Consent Judgment or its Attachments which can be given effect without the invalid  
12 provisions and to this end the provisions of this Consent Judgment and its Attachments  
13 are declared to be severable.

### 14 **XIV. APPLICABLE LAW**

15 The validity, meaning, interpretation, enforcement and effect of this Consent  
16 Judgment shall be governed by the law of the State of Arizona.

### 17 **XV. RESERVATION OF RIGHTS**

18 A. Entry of this Consent Judgment is solely for the purpose of settling the  
19 TAC and, except as expressly set forth herein, does not preclude the Plaintiff or any other  
20 agency or officer of the State of Arizona, or subdivision thereof, from instituting other  
21 administrative, civil or criminal proceedings as may be appropriate in the future,  
22 initiating a civil or criminal action against GPPI for violations of Title 49, A.R.S.,  
23 Chapter 2 or the rules promulgated thereunder, or any other violation of Arizona state  
24 law, occurring after the Effective Date.

25 B. This Consent Judgment does not encompass issues regarding violations,  
26 sources, operations, facilities or processes of GPPI not expressly covered by the terms of

1 this Consent Judgment and are without prejudice to the rights of the State of Arizona  
2 arising under any of the environmental statutes and rules of Arizona with regard to such  
3 matters. The State reserves the right to take any appropriate legal action against GPPI for  
4 violations which are not alleged in the TAC that it does not have notice of or that  
5 occurred at sites other than at the Azurite, Sundance, or Senator mines. The State  
6 reserves the right to take any and all appropriate action necessary to protect the public  
7 health, welfare, or the environment.

8 C. Nothing in this Consent Judgment shall constitute a permit of any kind, or a  
9 modification of any permit of any kind, under federal, state or local law. Nothing in this  
10 Consent Judgment shall in any way alter, modify or revoke federal, state or local statutes,  
11 regulations, rules or requirements. Nor shall this Consent Judgment affect or relieve  
12 GPPI in any manner of its obligations to apply for, obtain and comply with applicable  
13 federal, state and local permits. Compliance with the terms of this Consent Judgment  
14 shall be no defense to an action to enforce any such permits or requirements. The State  
15 does not by its consent to the entry of this Consent Judgment, warrant or aver that  
16 compliance with this Consent Judgment will constitute or result in compliance with  
17 Arizona law. Notwithstanding the State's review and approval of any materials  
18 submitted pursuant to this Consent Judgment, GPPI shall remain solely responsible for  
19 compliance with any other applicable federal, state or local law or regulation. Any  
20 submissions made to the State pursuant to this Consent Judgment shall not be interpreted  
21 as a waiver or limitation of the State's authority to enforce any federal, state, or local  
22 statute or regulation including permit conditions.

23 D. The State shall have the right to take enforcement action for any and all  
24 violations of this Consent Judgment and reserves the right to pursue all legal and  
25 equitable remedies.

26



1 E. This Consent Judgment supersedes any Consent Orders in effect between  
2 the State and GPPI, including Consent Order #APP-09-18 dated November 13, 2018.

3 F. The entry of this Consent Judgment shall not serve as a basis for any  
4 defenses of claim splitting, estoppels, laches, res judicata, or waiver challenging the  
5 State's legal right to bring an action regarding matters not expressly covered by this  
6 Consent Judgment.

### 7 **XVI. RIGHT OF ENTRY**

8 The State, its representatives, contractors, attorneys, consultants and agents, shall  
9 have the right to enter the Properties at any location, at all reasonable times, for the  
10 purpose of:

11 A. Observing and monitoring the progress and compliance with the provisions  
12 of this Consent Judgment.

13 B. Verifying any data or information submitted to the State in accordance with  
14 the terms of the Consent Judgment;

15 C. Obtaining samples, and, upon request and best efforts to coordinate with  
16 GPPI, splits of any samples taken by the Defendant or its consultants.

17 This right of entry shall be in addition to, and not in limitation of or substitution  
18 for, the State's rights under applicable law. The State's Right of Entry in no way affects  
19 or reduces any rights of entry or inspection that the State has under any law or regulation.

### 20 **XVII. MODIFICATIONS**

21 Any modification of this Consent Judgment must be in writing and approved by  
22 the parties and the Court, except that any extensions for the performance of any  
23 requirement of this Consent Judgment may be requested in writing by GPPI and  
24 consented to in writing by the State.

### 25 **XVIII. RETENTION OF JURISDICTION**

26

1 The Court shall retain jurisdiction over both the subject matter of this Consent  
2 Judgment and the Parties to effectuate and enforce this Consent Judgment, or to provide  
3 further orders, direction, or relief as may be necessary or appropriate for the construction,  
4 modification, or execution of this Consent Judgment.

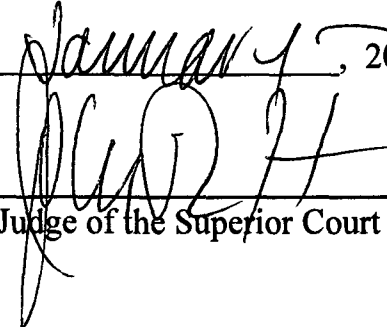
5 **XIX. TERMINATION**

6 The provisions of this Consent Judgment shall be deemed satisfied and shall  
7 terminate after all of the following have occurred:

- 8 1. The Defendants have paid State's costs and attorney fees and any Deferred  
9 Penalties due under Sections VII and VIII this Consent Judgment; and
- 10 2. The Defendants have completed all of the actions required by Section V  
11 and the Compliance Schedules attached to this Consent Judgment.

12 After satisfaction of this Consent Judgment, upon request by GPPI, the State shall  
13 execute and file a satisfaction of judgment with this Court and in any County in which  
14 this Judgment was recorded.

15 SO ORDERED this 29<sup>th</sup> day of January, 2021.

16   
17 \_\_\_\_\_  
18 Judge of the Superior Court  
19  
20  
21  
22  
23  
24  
25  
26

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**CONSENT TO JUDGMENT**

Songqiang Chen, on behalf of Defendant **Gold Paradise Peak, Inc.**, hereby acknowledges that (s)he is authorized to sign this Consent Judgment and bind the Defendant **Gold Paradise Peak, Inc.**, to its entry, has read the foregoing Consent Judgment in its entirety, agrees with the statements made therein, consents to its entry by the Court and agrees that Defendant **Gold Paradise Peak, Inc.**, will abide by the same.

DATED this 6th day of January, 2021.

/s/ Songqiang Chen  
Songqiang Chen  
CEO  
Gold Paradise Peak, Inc.

Trevor Baggioire, on behalf of Plaintiff State of Arizona, hereby acknowledges that (s)he is authorized by the Director of ADEQ to sign this Consent Judgment, has read the foregoing in its entirety, agrees with the statements made therein, consents to its entry by the Court and agrees that the State and ADEQ will abide by the same.

DATED this 6th day of January, 2021.

/s/Trevor Baggioire  
Trevor Baggioire  
Water Quality Division Director  
Arizona Department of Environmental Quality

**ATTACHMENT A: COMPLIANCE SCHEDULE- Azurite Mine**

- 1
- 2 A. Immediate Actions: Within sixty (60) days of the Effective Date, GPPI
- 3 shall provide certification that the following has been completed:
- 4 1. Install straw wattling around each ore pile;
- 5 2. Install and secure tarp on each ore pile;
- 6 3. Relocate ore piles so that the ore piles are no longer in, or adjacent
- 7 to, Slate Creek;
- 8 4. Install silt fences to accommodate the runoff from ore stockpiles in
- 9 Section A(3), above;
- 10 5. Clean up and appropriately manage the staining observed on the
- 11 concrete pad used to store processed ore.
- 12 B. Immediate Actions: Within fifteen (15) days of the Effective date, GPPI
- 13 shall schedule a site visit with ADEQ to identify soil staining. Within thirty
- 14 (30) days after the site visit, GPPI shall certify that the stained soil
- 15 identified on the ADEQ site visit has been removed and appropriately
- 16 managed.
- 17 C. Groundwater Protection:
- 18 1. Within sixty (60) days of the Effective Date, GPPI shall submit an
- 19 administratively complete APP application;
- 20 2. Within fifteen (15) days of receipt of written deficiencies in the APP
- 21 application described in Section C(1), above, from ADEQ, GPPI shall
- 22 respond in writing to ADEQ's comments;
- 23 3. Within one hundred and twenty (120) days of the Effective Date, GPPI
- 24 shall submit a final administratively and substantively complete APP
- 25 application resolving any previous written deficiencies noted by ADEQ;
- 26

- 1 4. Within seven (7) days of the APP permit being granted, GPPI shall begin  
2 construction of discharging facilities, and begin clean closure activities  
3 according to the compliance schedule included in the Azurite APP permit;
- 4 5. Within the timeframes created by the Azurite APP permit or closure plan,  
5 GPPI shall finalize construction of discharging facilities or the clean up and  
6 clean closure of those facilities;
- 7 6. Within the timeframes created by the Azurite APP permit or closure plan,  
8 GPPI shall submit a closeout report.

9 D. Surface Water Protection:

- 10 1. Within fourteen (14) days of the Effective Date, and on a quarterly basis  
11 thereafter, GPPI shall conduct routine inspections of control measures.
  - 12 a. Each calendar year, at least one of these routine quarterly  
13 inspections shall be conducted while a storm water event or  
14 discharge is occurring at one or more outfalls;
  - 15 b. GPPI shall send an electronic copy of the first inspection  
16 report to ADEQ via email at [ss17@azdeq.gov](mailto:ss17@azdeq.gov).
- 17 2. Within sixty (60) days of the Effective Date, GPPI shall:
  - 18 a. Install perimeter controls to prevent contaminated runoff  
19 from reaching Slate Creek;
  - 20 b. Apply straw wattles to control sediment or install sediment  
21 fences to trap fine material resulting from current and former  
22 operations from leaving the site and impacting Slate Creek;
  - 23 c. Retain all non-stormwater resulting from current and former  
24 operations onsite, i.e., on the property, unless discharges are  
25 comprised of allowable non-stormwater under the MSGP or are  
26 otherwise authorized by permit or rule. If ponds are required to

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

- contain material, ensure the basins are reviewed and approved by a professional engineer, and plans stamped by a professional engineer.
3. GPPI shall perform two visual assessments during the summer wet season (June 1- October 31) and two visual assessments during the winter wet season (November 1- May 31) when the site is discharging.
    - a. GPPI shall send an electronic copy of each visual assessment to ADEQ within fifteen (15) days of observation via email to ss17@azdeq.gov.
  4. Analytical monitoring at all facility outfalls shall be conducted one time during the summer wet season (June 1- October 31) and one time during the winter wet season (November 1- May 31) for the following parameters: free cyanide, dissolved silver (as Ag), total silver (as Ag), dissolved copper, pH, dissolved zinc (as Zn) and dissolved cadmium.
    - a. GPPI shall submit discharge reports of this analytical monitoring to ADEQ consistent with Part 6.5 of the 2019 AZPDES Stormwater Multi-Sector General Permit (Permit No. AZMSG2019-002)
  5. Within one hundred and fifty (150) days of the Effective Date, GPPI shall:
    - a. Stabilize disturbed soils that are not actively being mined;
    - b. Apply rock or vegetation to minimize erosion;
    - c. Employ compacted berms or silt fences upslope of river or wash margins to protect flow within the adjacent Slate Creek;
    - d. Use reasonable efforts to remove any fine sediment that discharged to the creek as the result of current and former operations to upland areas;

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

- e. Remove any non-permitted facilities from within Slate Creek that is not approved by a US Army Corps of Engineers Section 404 permit. Provide permits or proof of use for facilities within Slate Creek.
- E. GPPI shall comply with all applicable permits at Azurite for the duration of the Consent Judgment;
- F. ADEQ shall have the right to disapprove of any work, upon a reasonable basis, performed under this Compliance Schedule. If ADEQ disapproves of work, timeframes set forth in Attachment A may be reasonably extended upon agreement of the Parties.
- G. Where applicable, ADEQ may designate in writing an alternate email address for the receipt of emailed reports.

1                   **ATTACHMENT B: COMPLIANCE SCHEDULE – SUNDANCE MINE**

2           A. Immediate Actions: Within sixty (60) days of the Effective Date, GPPI shall  
3           provide certification that the following has been completed:

- 4                   1. Move desired ore piles to Azurite;
- 5                   2. Install straw wattles around any ore piles not moved to Azurite;
- 6                   3. Install and secure tarp on any ore piles not moved back to Azurite.

7           B. Groundwater Protection:

8                   1. Within sixty (60) days of Effective Date, GPPI shall submit to ADEQ the  
9                   following:

- 10                           a.       An administratively complete Type 2.02 general permit  
11                           application;
- 12                           b.       An administratively complete Type 3.04 general permit  
13                           application for the runoff, if required.

14                   2. Within ten (10) days of receipt of written deficiencies identified in the  
15                   general permit applications required by Section B(1), above, from ADEQ,  
16                   GPPI shall respond in writing to ADEQ's comments;

17                   3. Within seventy-five (75) days of the Effective Date, GPPI shall submit a  
18                   final administratively and substantively complete APP application  
19                   addressing any previous written deficiencies.

20           C. Surface Water Protection:

21                   1. Within fourteen (14) days of the Effective Date, and on a quarterly basis  
22                   thereafter, GPPI shall conduct routine inspections of control measures.

- 23                           a.       Each calendar year, at least one of these routine quarterly  
24                           inspections shall be conducted while a storm water event or  
25                           discharge is occurring at one or more outfalls;



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

- b. GPPI shall send an electronic copy of the first inspection report to ADEQ via email at [ss17@azdeq.gov](mailto:ss17@azdeq.gov).
- 2. Within sixty (60) days of the Effective Date, GPPI shall:
  - a. Install perimeter controls to prevent contaminated runoff from reaching the unnamed wash;
  - b. Apply straw wattles to control sediment or install sediment fences to trap fine material from leaving the site and impacting the unnamed wash;
  - c. Retain all non-storm water onsite, i.e., on the property. If ponds are required to contain material, ensure the basins are reviewed and approved by a professional engineer, and plans stamped by a professional engineer.
- 3. GPPI shall perform two visual assessments during the summer wet season (June 1- October 31) and two visual assessments during the winter wet season (November 1- May 31) when the site is discharging.
  - a. GPPI shall send an electronic copy of each visual assessment within fifteen (15) days of observation to ADEQ via email at [ss17@azdeq.gov](mailto:ss17@azdeq.gov).
- 4. Analytical monitoring at facility outfalls shall be conducted one time during the summer wet season (June 1- October 31) and one time during the winter wet season (November 1- May 31) for the following parameters: free cyanide, dissolved silver (as Ag), total silver (as Ag), dissolved copper, pH, dissolved zinc (as Zn) and dissolved cadmium.
  - a. GPPI shall submit discharge reports of this analytical monitoring to ADEQ consistent with Part 6.5 of the 2019 AZPDES

1 Stormwater Multi Sector General Permit (Permit No. AZMSG2019-  
2 002)

3 5. Within one hundred and fifty (150) days of the Effective Date, GPPI shall:

- 4 a. Stabilize disturbed soils that are not actively being mined;
- 5 b. Apply rock or vegetation to minimize erosion;
- 6 c. Employ compacted berms, diversion ditches, or silt fences  
7 upslope of the unnamed tributary or wash margins to protect flow  
8 towards the unnamed wash.

9 D. GPPI shall comply with all applicable permits at Sundance for the duration of the  
10 Consent Judgment;

11 E. ADEQ shall have the right to disapprove of any work done, upon a reasonable  
12 basis, conducted under this Compliance Schedule. If ADEQ disapproves of work,  
13 timeframes set forth in Attachment A may be reasonably extended upon  
14 agreement of the Parties.

15 F. Where applicable, ADEQ may designate in writing an alternate email address for  
16 the receipt of emailed reports.

17  
18  
19  
20  
21  
22  
23  
24  
25  
26



- 1           5. Within seven (7) days of all permits being granted, GPPI shall begin
- 2           implementing the plan described by the Site Conceptual Design
- 3           6. GPPI shall finalize the construction of discharging facilities according to
- 4           the compliance schedule in the permits.

5           C. Compliance with AZMSG2019-002 general permit:

- 6           1. Within sixty (60) days of the Effective Date, GPPI shall:
  - 7           a.        Install perimeter controls to prevent contaminated runoff from
  - 8           reaching the Hassayampa River;
  - 9           b.        Apply straw wattles to control sediment or install sediment
  - 10          fences to trap fine material from leaving the site and impacting the
  - 11          Hassayampa River;
  - 12          c.        Retain all non-storm water onsite, i.e., on the property unless
  - 13          authorized by permit or rule, addressed elsewhere in the Consent
  - 14          Judgment, or authorized as an allowable non-stormwater discharge.
  - 15          If ponds are required to contain material, ensure the basins are
  - 16          reviewed and approved by a professional engineer, and plans
  - 17          stamped by a professional engineer.
  - 18          d.        Collect and treat all adit drainage, prior to discharge, to
  - 19          ensure metal concentrations are below the water quality standard and
  - 20          applicable total maximum daily load in the Hassayampa River.
- 21          2. Within fourteen (14) days of the Effective Date, and on a quarterly basis
- 22          thereafter, GPPI shall conduct routine inspections of control measures.
  - 23          a.        Each calendar year, at least one of these routine quarterly
  - 24          inspections shall be conducted while a storm water event or
  - 25          discharge is occurring at one or more outfalls;

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

- b. GPPI shall send an electronic copy of the first inspection report to ADEQ via email (ss17@azdeq.gov).
- 3. GPPI shall perform two visual assessments during the summer wet season (June 1- October 31) and two visual assessments during the winter wet season (November 1- May 31) when the site is discharging.
  - a. GPPI shall send an electronic copy of each visual assessment within fifteen (15) days of observation to ADEQ via email at ss17@azdeq.gov.
- 4. Analytical monitoring at all facility outfalls shall be conducted one time during the summer wet season (June 1- October 31) and one time during the winter wet season (November 1- May 31) for the following parameters: free cyanide, dissolved silver (as Ag), total silver (as Ag), dissolved copper, pH, dissolved zinc (as Zn) and dissolved cadmium.
  - a. GPPI shall submit discharge reports of this analytical monitoring to ADEQ consistent with Part 6.5 of the 2019 AZPDES Stormwater Multi Sector General Permit (Permit No. AZMSG2019-002).

D. Easements:

- 1. Within 60 days of the Effective Date, GPPI shall grant easements on Yavapai County Parcel IDs 205-14-246P and 205-14-246N to ADEQ for the following:
  - a. Providing ADEQ access necessary to install, monitor, and maintain surveillance cameras in an agreed upon location while this Consent Judgment remains in effect;
  - b. Providing ADEQ access to collect samples and coordinate with GPPI to allow for split samples.

1 E. ADEQ shall have the right to disapprove of work, upon a reasonable basis,  
2 performed under this Compliance Schedule. If ADEQ disapproves of work,  
3 timeframes set forth in Attachment A may be reasonably extended upon  
4 agreement of the Parties.

5 F. Where applicable, ADEQ may designate in writing an alternate email address for  
6 the receipt of emailed reports.

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**ATTACHMENT D: PRELIMINARY INJUNCTION**

1

2

#9196837

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26