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Dept. of Environmental Protection  
McMurray District Office

Antrim Mining, Inc.  
Post Office Box 38  
Blossburg, PA 16912

Woodlands Bank  
2450 East Third Street  
Williamsport, PA 17701

Department of Environmental Protection  
P.O. Box 209  
Empire Road  
Hawk Run, PA

**POST-MINING DISCHARGE TREATMENT TRUST AGREEMENT**

This Trust Agreement ("Trust" or "Agreement") entered into this 8th day of March, 1999, by and among Antrim Mining, Inc., with its principal place of business at Blossburg, Pennsylvania ("Settlor"), and the Woodlands Bank, with its principal place of business at 2450 East Third Street, Williamsport, Pennsylvania and incorporated under the laws of Pennsylvania ("Trustee") and the Commonwealth of Pennsylvania, Department of Environmental Protection ("Beneficiary").

WHEREAS, the Settlor has entered into a Consent Order, Agreement, and Adjudication dated December 31, 1991, and a First Amendment dated October 1, 1996, and a Second Amendment dated March 8, 1999 (such Consent Order, Agreement and Adjudication, as amended, hereafter referred to as the "CO&A"), with the Beneficiary which is incorporated by reference and which contains, among other things, a requirement that the Settlor provide

financial guarantees to assure that funds will be available to provide for the Settlor's legal obligation to operate a mine drainage treatment system to treat and otherwise prevent discharges of mine drainage from Settlor's mines;

WHEREAS, the treatment system consists of the Combined Discharge Treatment System which treats the BI-14 Discharge (also known as the Antrim #1 Discharge) and the Backswitch Discharge; all located in Duncan Township, Tioga County (hereinafter referred to as the "Facility"). The discharge from the Combined Discharge Treatment System flows into Bridge Run;

WHEREAS, the use of a trust fund is authorized as an alternative financial assurance mechanism under provisions of the Pennsylvania Surface Mining Conservation and Reclamation Act and which contemplate such a trust is for the public purpose of protecting the environment and the health and welfare of the public, without limitation on duration;

WHEREAS, the Settlor has elected to establish that this Trust pursuant to the CO&A to assure funds are available to provide for Settlor's legal obligation to operate the Facility;

WHEREAS, the Settlor, acting through its duly authorized officers or representatives and with the approval of the Beneficiary, has selected the Trustee under this Agreement;

WHEREAS, the Trustee has been induced, and has agreed and is willing to perform the duties as are required to be performed pursuant to this Agreement;

WHEREAS, the Beneficiary has joined in this Agreement to indicate its acceptance of the terms and conditions set forth in, as well as the powers and authorities granted by, this Agreement;

WHEREAS, the Beneficiary has stated that, to the best of its knowledge and belief, the Facility currently has and is in compliance with all required federal and state permits and approvals necessary and required for the operation and maintenance of the Facility; and

WHEREAS, except as set forth in the CO&A, Antrim represents that, to the best of its knowledge, there are no violations of any environmental law regulating the Facility or the Property, as it is hereinafter defined, and that the Facility is operating in compliance with all applicable permits and approvals.

NOW THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings of the parties as set forth herein, and with the intention of being legally bound hereby, the parties agree as follows:

**1. Establishment of Trust**

The Settlor and the Trustee hereby establish this Trust for the benefit of the Beneficiary, or its successor, as beneficiary, to be utilized for the primary purpose of providing for the continued operation and maintenance of the Facility. For purposes of this Agreement, operation includes, but is not limited to, the operation, maintenance and replacement of the currently existing and functioning treatment facilities approved by the Beneficiary and any other which may be required in the future. A secondary purpose of the Trust is to

provide funding for the maintenance of other treatment systems in, and improvement of water quality throughout, the Babb Creek Watershed.

a. The Settlor and the Trustee intend for the Beneficiary to be legal beneficiary of this Trust and to have all rights of a beneficiary under the law, as well as all rights granted under this Agreement. The Beneficiary, as beneficiary, shall have access to the Trust principal and income as provided herein.

b. The Trust shall consist of:

- (i) The initial payment or transfer to the Trustee of \$1.5 Million by USA WASTE on behalf of the Settlor.
- (ii) Certain real property including buildings, structures, fixtures and appurtenances described in the deed attached as Exhibit "A" (the "Property").
- (iii) Certain personal property described in Exhibit "B".
- (iv) Periodic payouts from the Pennsylvania Environmental Defense Foundation or its successor.
- (v) Cash, funds or property transferred from any other person to the Trust and accepted by the Trustee.
- (vi) All investments, reinvestments, assets or proceeds attributable to or derived from the items listed in this subparagraph.

c. All of the preceding payments proceeds and assets referred to in subparagraph (b) hereof shall constitute the Trust principal, together with all earnings, accretions and profits therefrom, less any payments or distributions made by the Trustee pursuant to the terms of this Agreement. Any real property shall be conveyed to the Trust by fee simple deed free and clear of all liens. Title will be fully insurable by a standard title insurance policy.

d. The Trust Fund and any other real and personal property held by the Trust pursuant to this Trust Agreement shall not be subject to assignment, alienation, pledge, attachment, garnishment, sequestration, levy or other legal process, either voluntary, involuntary or by operation of law, by, on behalf of, or in respect of the Settlor and shall not be subject or applied to the debts, obligations or liabilities of the Settlor, including, without limitation, any direct action or seizure by any creditor or claimant under any writ or proceeding at law or in equity. The Settlor's entry into the Trust removes all of Settlor's interest in the Trust from Settlor's estate under the Bankruptcy Code or similar laws.

e. All payments made to the Trust or deposits into the Trust by the Settlor shall be irrevocable once made, and upon delivery thereof, by or on behalf of the Settlor, all interest of the Settlor therein shall cease and terminate, and no part thereof, nor any income therefrom, shall be used for or devoted to purposes other than as provided herein.

f. The Trust shall be held, administered, invested and reinvested by the Trustee, IN TRUST, as hereinafter provided, and all distributions therefrom shall be made in accordance with the provisions of this Agreement.

g. Any payments made by the Settlor or on its behalf to the Trustee for deposit into the Trust shall consist of cash, bank checks, bank wire transfers or other negotiable instruments acceptable to the Trustee. The Trustee shall have no responsibility for the amount or adequacy of such payment or collection thereof, but the Trustee shall notify the Beneficiary of any deficiencies in the payments required to be made by the Settlor or on its behalf whenever the Trustee has knowledge of such deficiencies.

## **2. Payments**

The Trustee shall make distribution payments from the Trust upon the written direction or instructions of the Beneficiary. The Beneficiary shall have the authority to designate, in writing, any person or entity to receive payments from the Trust. The Trustee shall, upon receipt of written directions or instructions for distribution payment from the Beneficiary, make distribution payments from the Trust as directed in the Beneficiary's written directions or instructions. The Trustee shall be fully protected and entitled to rely upon the written directions or instructions of the Beneficiary and shall not be liable to any party for acting in accordance with those directions.

a. The Trustee is authorized, upon the written direction, order or consent of the Beneficiary, to enter into contracts, take title to easements,

rights of way and other property interests as necessary to carry out the purposes of the Trust. The Trustee is authorized, upon the written direction, order or consent of the Beneficiary, to contract with or otherwise engage the services of, and pay reasonable compensation to, such persons or entities as the Trustee may require to carry out this provision. This authorization is in addition to the other powers granted to the Trustee with regard to the retention and compensation of agents. Any property acquired or services provided under this provision shall not be deemed to be acquired or provided to the Trustee or the Beneficiary, but shall be deemed to be acquired or provided on behalf of the Trust, and the Trustee shall not incur any liability under the Trust when acting in accordance with the provisions of this subparagraph.

b. Except as provided by this Agreement, no other disposition of monies shall be made unless directed or approved, in writing, by the Beneficiary.

### **3. Trustee Management**

The Trustee shall invest and reinvest the principal and income of the Trust and keep the Trust invested as a single fund, without distinction between principal and income. The Trustee shall add to principal any income not distributed pursuant to the provisions of this Agreement.

a. The Trustee shall discharge its investment duty solely in the interest of the Beneficiary as beneficiary of this Trust and, subject to paragraph 3(b), shall seek to manage the Trust with that degree of judgment, skill and care under the circumstances then prevailing, which persons of prudence,

discretion and intelligence, who are familiar with such matters, exercise in the management of their own affairs.

b. For purposes of investing or reinvesting the assets in the Trust, the Trustee shall have investment discretion subject to the following guidelines:

- (i) The Trustee may purchase shares of any mutual funds which have their assets invested in equity shares, including any mutual fund for which the Trustee or any affiliate may be an advisor, subadvisor, manager, custodian or Trustee.
- (ii) The Trustee may purchase any equity shares, listed on a national or regional stock exchange or that are capable of being valued in accordance with any other daily recognized valuation methodology.
- (iii) The Trustee, may sell at public or private sale any shares acquired under this article.
- (iv) In regard to any shares or other equity interests the Trustee may hold, the Trustee may join in any merger, reorganization, voting-trust plan or any other concerted action of owners or shareholders.
- (v) The Trustee, in the exercise of its investment powers, may utilize puts and calls, short sales, options and warrants or other investment strategies generally recognized as prudent



when utilized to enhance returns, reduce risk or mitigate loss.

- (vi) The Trustee may hold cash awaiting investment or distribution for a reasonable period of time, provided however, where possible and consistent with sound investment practices, shall invest such cash in overnight investments.
- (vii) The Trustee shall not be responsible for any losses incurred hereunder whether it be due to market fluctuations or otherwise, except in the case of its gross negligence or willful misconduct or that of its agents.

#### **4. Express Powers of Trustee**

Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

a. To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the power herein granted.

b. To register any securities held in the Trust in its own name or in the name of a nominee and to hold any security in bearer form or book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange

for deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Trust and that such securities are not co-mingled with or made a part of any other account of another customer of the Trustee or the Trustee itself.

c. To deposit any cash in the Trust in interest-bearing accounts maintained by the Trustee, to the extent such are insured by an agency of the Federal or State Government or otherwise secured as provided under the laws of the Commonwealth of Pennsylvania.

d. To generally exercise all rights and privileges appurtenant to any property held by the Trustee as may be necessary to preserve, protect, maintain, operate, transfer convey or sell *such* property, and to execute and deliver any and all instruments which may be necessary or expedient in any powers granted under this Agreement. However, the Trustee shall not have the power to transfer, convey or sell the property described in Exhibits "A" and "B" without written authorization from the Beneficiary.

**5. Advice of Counsel**

a. The Trustee may, from time to time, consult with counsel of its own choosing with respect to any question arising as to the construction or interpretation of this Agreement or any action to be taken hereunder. The Trustee shall be protected, to the extent permitted by law, in acting in good faith on the advice of counsel.

b. The Trustee shall not initiate, terminate, settle, compromise or otherwise adjust claims in favor of or against the Trust without the written consent of the Beneficiary.

c. The Trustee shall not be required to furnish any bond or security in any jurisdiction.

d. No person dealing with the Trust or the Trustee shall be obligated to inquire as to the authority of the Trustee in connection with the acquisitions, investment, management or disposition of the Trust assets or in connection with the exercise of any other power granted under this Agreement.

e. The Trustee shall give prompt written notice to the Beneficiary of each claim in favor of or against the Trust, specifying the amount and nature of such claim. The Trustee shall also give prompt written notice to the Beneficiary of any controversies, demands, actions, losses, damages, costs or expenses or any other matter which the Trustee believes is likely to give rise to a claim.

f. The Beneficiary shall have the right, but not the duty to: (1) direct the Trustee to initiate, terminate, settle, compromise or otherwise adjust claims in favor of or against the Trust, and (2) participate in the prosecution of or defense against, any claim in favor of or against the Trust. To the extent the Beneficiary directs the Trustee to assume prosecution or defense, the Trustee shall retain counsel of the Beneficiary's choosing or counsel selected by the Trustee and approved by the Beneficiary. If the Beneficiary directs the Trustee to assume prosecution or defense of any claim, the Trustee shall prosecute or defend the claim at the expense of the Trust, and the Trustee shall be entitled to assess against the Trust funds all costs associated with the prosecution or defense. Upon notice to the Trustee that the Beneficiary will assume prosecution or defense, the Trustee will not be responsible for the subsequent prosecution or defense nor for any loss ensuing therefrom. If the Beneficiary fails to instruct the Trustee with respect to the prosecution or defense of any claim, the Trustee may prosecute or defend any claim at the expense of the Trust, but shall be under no duty to do so, and shall have no liability for its failure or refusal to prosecute or defend the claim if deems such action to be in the best interest of the Trust.

**6. Valuation**

a. The Trustee shall furnish to the Beneficiary, no less frequently than semi-annually, a statement providing an accounting of all transactions involving the Trust and confirming the value of the Trust. Such statement

shall value Trust investments at market value which shall be that market value determined not more than thirty (30) days prior to the date of statement.

b. The Trustee shall be responsible for the keeping of all appropriate books and records relating to the receipt and disbursement of all monies and assets under this Trust Agreement. In addition, whenever called upon to do so, the Trustee shall exhibit to the Settlor, should the Settlor be in existence, and the Beneficiary all documents, instruments or reports relating to the Trust or the Trust fund. The Trustee shall also cause to be prepared all income tax returns required to be filed with respect to the Trust and shall execute and file such returns. The Beneficiary, upon request, shall furnish the Trustee with such information as may be reasonable required in connection with the preparation of such income tax returns.

**7. Expenses, Taxes and Trustee Compensation**

Compensation of the Trustee and all other reasonable and customary expenses incurred by the Trustee, including fees for legal services rendered to the Trustee, and all taxes of any kind that may be assessed or levied against or in respect of the Trust, shall be taken and paid from the Trust at the time that the Trustee shall deem appropriate. Trustee shall be paid a fee, semi-annually in advance, based on the schedule of fees attached hereto and marked Exhibit "C". The Trustee must provide the Beneficiary written notice of any proposed future changes of the Trustee's schedule of fees. The Beneficiary has thirty (30)

days after receipt of the proposed changes to approve or disapprove the proposed changes to the Trustee's schedule of fees.

**8. Successor Trustee**

The Trustee may resign only after giving sixty (60) days notice to the Beneficiary. The Trustee's resignation or replacement shall not be effective until a successor trustee has been appointed and such appointment confirmed, in writing, by the Beneficiary, which confirmation will not be unreasonably withheld. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder and shall be subject to the same reservations, limitations, terms and conditions. The successor trustee shall specify the date on which it will assume administration of the Trust, in writing, sent to the Trustee and Beneficiary, by certified mail, return receipt requested, not less than ten (10) days before such assumption takes effect. Upon the successor trustee's acceptance of the appointment, the Trustee hereunder shall assign, transfer, convey and pay-over to the successor trustee the funds and properties then constituting the Trust and shall be discharged from any further liability or responsibility with regard to the administration of the Trust.

**9. Instructions to the Trustee**

a. All orders, requests and instructions by the Beneficiary to the Trustee shall be in writing, signed by such persons as are designated in the attached Schedule A, or such other persons as the Beneficiary may designate by amendment, in writing, to Schedule A. The Trustee shall be fully protected and

shall not be liable to any party in acting in accordance with the Beneficiary's orders, requests and instructions when authorized by the Agreement, and, to the extent necessary, shall be held harmless from the Trust fund. The Trustee shall not have the right to assume, in the absence of written notice to the contrary, that an event constituting a change or termination of the authority of any person to act on behalf of the Beneficiary hereunder has occurred. The Trustee, upon receipt of orders, requests or instructions by the Beneficiary which are signed by person purporting to be designated by the Beneficiary, shall with due diligence ascertain if such persons are designated by the Beneficiary and have authority to act on behalf of the Beneficiary hereunder.

b. In the event that the Trustee is unsure of the application of any provision of this Agreement or any action contemplated hereunder, the Trustee may request and rely upon the written instruction of the Beneficiary. The Trustee shall not be liable to any party for any affirmative action taken or omission made by the Trustee pursuant to written instruction given to the Trustee by the Beneficiary.

#### **10. Trustee Not Responsible for Operation of Facility**

Without in any way limiting the powers and discretion conferred upon the Trustee by other provisions of this Agreement or by law:

a. The Trustee shall have no responsibility for the operation or maintenance of the Facility, including but not limited to, the selection of an

operator of the Facility or oversight of agents, and/or employees of the operator of the Facility.

b. The Trustee shall have no responsibility for the inspection, overseeing, maintaining controlling access, ingress or egress to the Facility or any real or personal property associated with the Facility.

c. The Trustee shall have no responsibility for the disposal of any hazardous or non-hazardous waste, including but not limited to, sludge generated by the Facility, on, from or at the Facility or any real or personal property associated with the Facility.

d. The Trustee shall have no responsibility for compliance with any legal or regulatory requirements with respect to the Facility or any real or personal property associated with the Facility, including but not limited to, any permits for the operation or maintenance of the Facility.

e. The Trustee shall have no responsibility for compliance with the treatment requirements set forth in the CO&A.

f. The Trustee shall purchase or otherwise acquire commercial general liability insurance and property and casualty coverage in such amounts and containing such terms and conditions as beneficiary shall direct. No insurance may be purchased without the written approval of the Beneficiary.



## **11. Taxation Provisions**

a. The Settlor, the Trustee, and the Beneficiary intend that the Trust shall be characterized for federal, state, and local income tax purposes as a “qualified settlement fund” within the meaning of Treasury Regulation Section 1.468B-1 or any corresponding successor provision. The Settlor, the Trustee, and the Beneficiary agree to treat the Trust as a “qualified settlement fund” and to take no action inconsistent with such treatment. The Trustee agrees to file all tax returns (including any information returns) required to be filed by the Trust, including but not limited to, Internal Revenue Service Form 1120-SP (and any successor or similar form) as well as any similar state or local tax forms. The provisions of this Agreement shall be construed in light of the foregoing intended tax treatment.

b. The Trustee and the Beneficiary may seek to characterize the Trust for federal, state, and local income tax purposes as a tax exempt organization described in Internal Revenue Code Sections 501(c)(3) or 501(c)(4) or any corresponding successor provisions. The Trustee may file an application for federal tax exemption not sooner than one year after the date of Settlor’s dissolution and may file all tax returns (including any information returns) required to be filed by the Trust, such as Internal Revenue Service Form 990 (and any successor or similar form) as well as any similar state or local tax forms. If such tax treatment is sought, the provisions of this Agreement shall be construed prospectively in light of such intended tax treatment.

c. All federal, state, and local taxes arising from the investment income, including capital gains taxes, of the Trust shall be paid from the corpus of the Trust.

d. All real estate taxes and personal taxes assessed on the real and personal property described in Exhibits "A" and "B" and such other personal property as may be acquired from time to time shall be paid from the corpus of the Trust.

## **12. Trustee Exculpation**

a. The Trustee shall not be responsible for the enforcement or policing of any environmental action nor be required to defend any claims relating thereto. The Trustee shall be a mere title holder and "fiduciary" as defined in the Pennsylvania Act entitled: "The Economic Development Agency, Fiduciary and Lender Environmental Liability Protection Act," Act No. 3 of 1995, P.L. 33, 35 P.S. §§6027.1 through 6027.14, and its liability shall be limited as provided under Section 6 of the Act, 35 P.S. §6027.6.

b. As to all actions taken by the Trustee with respect to the administration of the Trust, the Trustee shall not be answerable or liable for the exercise or nonexercise of any discretion or power under this Agreement nor for anything whatever in connection with the Trust hereunder, except for its own gross negligence or willful misconduct or that of its agents. Except in the case of the Trustee's own gross negligence or willful misconduct, the Trustee shall be entitled to be exonerated and indemnified from the Trust Fund

against any and all losses, claims, costs, expenses and liabilities arising out of in connection with the administration or distribution of the Trust Fund or the affairs of the Trust. In addition to the foregoing, as specified previously, the Trustee shall not be liable to any party for actions taken in accordance with the directions of the Beneficiary. The provisions of this subparagraph shall also extend to the employees and agents of the Trustee.

**13. Irrevocability and Termination**

The Trust shall be irrevocable and shall continue from the date of inception, unless otherwise terminated by the occurrence of any one of the following:

- a. The Beneficiary determines that the Trust is no longer required.
- b. The Trustee determines that the size of the Trust does not warrant the continuation of the Trust.
- c. The Trustee determines administration of the Trust renders it impractical to continue the Trust and the Beneficiary agrees.
- d. Upon termination of the Trust, the Trustee shall distribute any residuum, less final trust administration expenses of the Trustee, to the Beneficiary, unless directed otherwise, in writing, by the Beneficiary.

**14. Amendments**

This Agreement may be amended by an instrument in writing, executed by the Trustee and the Beneficiary.

**15. Notices**

All notices, inquiries, directions or other written communications made or given pursuant to the Trust shall be given to the Beneficiary and the Trustee by certified mail, return receipt requested, addressed to the following addresses, and shall be deemed to be received upon the earlier of the date of signed receipt of the certified mailing or seven (7) days following the date of mailing:

Beneficiary: District Mining Manager  
P.O. Box 209  
Haw Run, PA 16840

Trustee: Woodlands Bank  
2450 East Third Street  
Williamsport, PA 17701

Any change in the above addresses shall be made by giving notice to all parties to the Trust.

**16. Interpretation**

As used in this Agreement, words in the singular include the plural, and words in the plural include the singular. Words used in this Agreement shall be given their plain and ordinary meaning, except that, words used in a financial or investment context that are terms of art shall be given their commonly accepted meaning when used in the context of financial services and investment practices. The headings of each section of this Agreement are for descriptive purposes only and shall not affect the interpretation or legal efficacy of this Agreement.

**17. Construction**

a. This Agreement shall be constructed and governed in all respects in accordance with the laws of the Commonwealth of Pennsylvania.

b. In case of the merger or consolidation of any corporate Trustee serving hereunder, the resultant company shall become such Trustee's successor without notice to any party.

c. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

d. All covenants and agreements contained herein shall be binding upon and inure to benefit the Beneficiary and the Trustee, as well as their successors and assigns. Similarly, any request, notice, direction, consent, waiver or other writing or action, taken by the Beneficiary or the Trustee shall bind their successors and assigns.

e. It is the intention of the parties hereto that this Trust remain in existence until terminated in accordance with the provisions of Paragraph 13 hereof and that the Trust be exempt from the application of any rule against perpetuities by reason of the Beneficiary's beneficial interest herein because the Trust is authorized by the Pennsylvania Surface Mining Conservation and

Reclamation Act which contemplates no limitation on duration, and because the Trust is for the public purpose of assuring funds will be available in the future to ensure the Facility will continue to be maintained and operated to protect the environment and the health and welfare of the public. However, in the event that it is ever finally determined by a court with jurisdiction in the matter, that the Trust is subject to any such rule, then the Trust shall terminate twenty-one (21) years less one (1) day, after the death of the last descendent of Ambassador Joseph P. Kennedy living on the date of this Trust Agreement, and the Trust Fund shall be distributed to the Beneficiary, less final trust administration expenses of the Trustee.

**18.** The Trust created by this Agreement shall have a legal situs in Dauphin County, Pennsylvania.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives duly authorized and their corporate seals to be hereunto affixed and attested as of the date first written above.

**ATTEST:**

Paul Theodoraka

**SETTLOR:**

BY:

Richard D. Mase  
Richard D. Mase  
President

**ATTEST:**

David J. Bartz

**TRUSTEE:**

BY:

Thomas B. Burkholder  
Thomas B. Burkholder  
Vice President and Trust Officer

**ATTEST:**

Corey Crann

**BENEFICIARY:**

BY:

Michael W. Smith  
Michael W. Smith  
District Mining Manager

Approved as to Form:

BY:

Martin H. Sokolow, Jr.  
Martin H. Sokolow, Jr.  
Acting Chief Counsel

WARRANTY DEED

**THIS INDENTURE**

MADE the 8th day of March in the year of nineteen hundred and ninety-nine (1999)

BETWEEN ANTRIM MINING, INC., a Pennsylvania Corporation, with corporate offices in Blossburg, Pennsylvania, parties of the first part, GRANTORS

AND

ANTRIM TREATMENT TRUST, c/o Woodlands Bank, 2450 E. Third Street, Williamsport, Pennsylvania, parties of the second part, GRANTEE

WITNESSETH, That in consideration of One and no/100 (\$1.00) Dollar, in hand paid, the receipt whereof is hereby acknowledged, the said grantors do hereby grant and convey to the said grantees,

ALL those certain lots, tracts or parcels of land situate in Duncan Township, Tioga County, Pennsylvania, bounded and described as follows:

TRACT NO. 1:

BEGINNING at a point in the centerline of State Route 3012 (S.R. 3012, formerly L. R. 58036), the easternmost corner of lands now or formerly of Kathy Walbridge; thence along said centerline the following courses and distances:

South 54° 29' 16" East, a distance of 70.87 feet;

South 47° 48' 31" East, a distance of 125.04 feet, to the northwest corner of lands now or formerly of Shirley Borden; thence around said lands of Shirley Borden:

South 39° 00' 27" West, a distance of 125.92 feet to a pin;

South 52° 16' 04" East, a distance of 142.75 feet to a pin;

North 43° 35' 19" East, a distance of 114.66 feet to a point in the centerline of S.R. 3012, thence along said centerline the following courses and distances:

South 47° 48' 31" East, a distance of 34.52 feet;

South 47° 48' 07" East, a distance of 228.45 feet;

South 50° 01' East, a distance of 66.62 feet;

South 65° 37' 13" East, a distance of 78.84 feet;

South 76° 09' 06" East, a distance of 166.51 feet;

South 80° 41' 13" East, a distance of 76.97 feet;

South 79° 34' 21" East, a distance of 61.32 feet;

EXHIBIT A





COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
DEPT. 280603  
HARRISBURG, PA 17128-0603

# REALTY TRANSFER TAX STATEMENT OF VALUE

See Reverse for Instructions

## RECORDER'S USE ONLY

Tax Paid

Book Number

Page Number

Date Recorded

Complete each section and file in duplicate with Recorder of Deeds when (1) the full value/consideration is not set forth in the deed, (2) when the deed is without consideration, or by gift, or (3) a tax exemption is claimed. A Statement of Value is not required if the transfer is wholly exempt from tax based on: (1) family relationship or (2) public utility easement. If more space is needed, attach additional sheet(s).

### A CORRESPONDENT - All inquiries may be directed to the following person:

Name Edith L. Dowling, Esquire Telephone Number: Area Code (814) 258-7788  
Street Address 510 E. Main St. City Elkland, State PA Zip Code 16920

### B TRANSFER DATA

Grantor(s)/Lessor(s) Antrim Mining, Inc. Date of Acceptance of Document March 8, 1999  
Street Address Main Street Street Address 2450 E. Third St.  
City Blossburg State PA Zip Code 16912 City Williamsport, State PA Zip Code 17701

### C PROPERTY LOCATION

Street Address SR 3012 City, Township, Borough Duncan Township  
County Tioga School District Southern Tioga Tax Parcel Number

### D VALUATION DATA

1. Actual Cash Consideration 1.00 2. Other Consideration + 0 3. Total Consideration = 1.00  
4. County Assessed Value x 2.69 5. Common Level Ratio Factor = 6. Fair Market Value =

### E EXEMPTION DATA

1a. Amount of Exemption Claimed 100% 1b. Percentage of Interest Conveyed 100%

### 2. Check Appropriate Box Below for Exemption Claimed

- ☐ Will or intestate succession \_\_\_\_\_ (Name of Decedent) \_\_\_\_\_ (Estate File Number)
- ☐ Transfer to Industrial Development Agency.
- ☐ Transfer to a trust. (Attach complete copy of trust agreement identifying all beneficiaries.)
- ☐ Transfer between principal and agent. (Attach complete copy of agency/straw party agreement.)
- ☒ Transfers to the Commonwealth, the United States and Instrumentalities by gift, dedication, condemnation or in lieu of condemnation. (If condemnation or in lieu of condemnation, attach copy of resolution.)
- ☐ Transfer from mortgagor to a holder of a mortgage in default. Mortgage Book Number \_\_\_\_\_, Page Number \_\_\_\_\_
- ☐ Corrective or confirmatory deed. (Attach complete copy of the prior deed being corrected or confirmed.)
- ☐ Statutory corporate consolidation, merger or division. (Attach copy of articles.)
- ☒ Other (Please explain exemption claimed, if other than listed above.) The sole beneficiary of the Trust is the Commonwealth of Pennsylvania Department of Environmental Protection pursuant to the attached Trust Agreement.

Under penalties of law, I declare that I have examined this Statement, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Correspondent or Responsible Party

Date

FAILURE TO COMPLETE THIS FORM PROPERLY OR ATTACH APPLICABLE DOCUMENTATION MAY RESULT IN THE RECORDER'S REFUSAL TO RECORD THE DEED.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
DEPT. 280603  
HARRISBURG, PA 17128-0603

**REALTY TRANSFER TAX  
STATEMENT OF VALUE**

See Reverse for Instructions

RECORDER'S USE ONLY	
Tax Paid	
Book Number	
Page Number	
Date Recorded	

Complete each section and file in duplicate with Recorder of Deeds when (1) the full value/consideration is not set forth in the deed, (2) when the deed is without consideration, or by gift, or (3) a tax exemption is claimed. A Statement of Value is not required if the transfer is wholly exempt from tax based on: (1) family relationship or (2) public utility easement. If more space is needed, attach additional sheet(s).

**A CORRESPONDENT - All inquiries may be directed to the following person:**

Name	Edith L. Dowling, Esquire	Telephone Number	
Street Address	510 E. Main St.	Area Code (814 )	258-7788
City	Elkland,	State	PA
		Zip Code	16920

**B TRANSFER DATA**

Grantor(s)/Lessor(s)	Grantee(s)/Lessee(s)
Antrim Mining, Inc.	Antrim Treatment Trust
Street Address	Street Address
Main Street	2450 E. Third St.
City	City
Blossburg	Williamsport,
State	State
PA	PA
Zip Code	Zip Code
16912	17701

**C PROPERTY LOCATION**

Street Address	City, Township, Borough	
SR 3012	Duncan Township	
County	School District	Tax Parcel Number
Tioga	Southern Tioga	

**D VALUATION DATA**

1. Actual Cash Consideration	2. Other Consideration	3. Total Consideration
1.00	+ 0	= 1.00
4. County Assessed Value	5. Common Level Ratio Factor	6. Fair Market Value
	x 2.69	=

**E EXEMPTION DATA**

1a. Amount of Exemption Claimed	1b. Percentage of Interest Conveyed
100%	100%

**2. Check Appropriate Box Below for Exemption Claimed**

☐ Will or intestate succession \_\_\_\_\_ (Name of Decedent) \_\_\_\_\_ (Estate File Number)

☐ Transfer to Industrial Development Agency.

☐ Transfer to a trust. (Attach complete copy of trust agreement identifying all beneficiaries.)

☐ Transfer between principal and agent. (Attach complete copy of agency/straw party agreement.)

☒ Transfers to the Commonwealth, the United States and Instrumentalities by gift, dedication, condemnation or in lieu of condemnation. (If condemnation or in lieu of condemnation, attach copy of resolution.)

☐ Transfer from mortgagor to a holder of a mortgage in default. Mortgage Book Number \_\_\_\_\_, Page Number \_\_\_\_\_.

☐ Corrective or confirmatory deed. (Attach complete copy of the prior deed being corrected or confirmed.)

☐ Statutory corporate consolidation, merger or division. (Attach copy of articles.)

☒ Other (Please explain exemption claimed, if other than listed above.) The sole beneficiary of the Trust is the Commonwealth of Pennsylvania Department of Environmental Protection

pursuant to the attached Trust Agreement.

Under penalties of law, I declare that I have examined this Statement, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Correspondent or Responsible Party	Date

South 64° 45' 13" East, a distance of 69.91 feet to a point; thence along the western boundary of the Maiden Lane Area and passing through a found iron rod at 27.10 feet South 25° 10' 45" West, a distance of 152.87 feet to a found iron rod; thence continuing along said western boundary South 11° 29' 32" West, a distance of 198.63 feet to a found iron rod; thence along remaining lands now or formerly of Dennis Walbridge North 51° 54' 46" West, a distance of 106.65 feet to a found iron rod; thence along the eastern boundary of the Morris Street Area North 37° 09' 13" West, a distance of 330.0 feet to a found iron rod; thence continuing along other lands of Dennis Walbridge the following courses and distances:

North 78° 02' 40" West, a distance of 110.82 feet;

North 84° 02' 41" West, a distance of 200.46 feet;

North 68° 09' 15" West, a distance of 168.23 feet;

South 70° 36' 21" West, a distance of 65.98 feet;

North 79° 34' 08" West, a distance of 283.67 feet;

South 73° 58' 32" West, a distance of 174.96 feet;

North 66° 47' 22" West, a distance of 235.93 feet to a pin;

thence along lands now or formerly of Antrim Mining North 36° 58' 05" West, a distance of 252.45 to a found iron rod; thence continuing along lands of Antrim Mining North 45° 15' 23" East, a distance of 296.79 feet to a found iron rod, the southwest corner of lands now or formerly of Kathy Walbridge; thence along said lands now or formerly of Kathy Walbridge the following courses and distances:

South 30° 13' East, a distance of 231.17 feet;

North 88° 23' 44" East, a distance of 165.40 feet;

North 58° 32' 58" East, a distance of 346.37 feet to the point and place of beginning.

CONTAINING 10.977 acres, more or less, as more particularly described in a survey by John William Ward dated October 11, 1995 and recorded in Tioga County Map File 1995-

BEING the premises conveyed from Dennis G. Walbridge to Antrim Mining, Inc. by deed dated December 21, 1995 and recorded in Tioga County Record Book 652 at page 386.

TRACT NO. 2:

Those certain lands containing approximately 81.59 acres, more or less, on which is situate a mine treatment plant, as are more fully described in a survey by John W. Ward dated April 10, 1995 and recorded in Tioga County Map File 1995-108 and designated as subdivision 95-57 by the Tioga County Planning Commission, bounded and described as follows:

BEGINNING at a point at the southeast corner of the Maiden Lane Area, thence along the eastern line of the Maiden Lane Area the following three (3) courses and distances: North 44° 00' West, a distance of 208.00 feet to a point; thence North 42° 15' West, a distance of 165.00 feet to a point; thence North 61° 45' West, a distance of 85.90 feet to a point; thence along the Main Town Site North 72° 07' 58" East, a distance of 399.31 feet to an iron pin; thence along other lands now or formerly of Antrim Mining, Inc. the following courses and distances:

North 58° 23' 38" East, a distance of 2362.65 feet;  
North 75° 24' 15" East, a distance of 349.36 feet;  
South 37° 16' 17" East, a distance of 216.84 feet;  
South 28° 59' 54" West, a distance of 901.42 feet;  
South 26° 12' 19" West, a distance of 957.38 feet;  
South 24° 45' 39" West, a distance of 572.06 feet;  
South 1° 03' 47" East, a distance of 326.64 feet;  
South 79° 44' 44" West, a distance of 999.49 feet;  
North 15° 43' 50" West, a distance of 432.17 feet;  
North 11° 04' 13" West, a distance of 132.69 feet;  
North 3° 47' 01" West, a distance of 146.01 feet;  
North 1° 52' 51" East, a distance of 25.42 feet;  
North 39° 02' 12" West, a distance of 41.43 feet;  
North 44° 15' 49" West, a distance of 110.41 feet;  
North 33° 15' 03" West, a distance of 116.91 feet;  
North 36° 29' 57" West, a distance of 128.61 feet;  
North 47° 48' 50" West, a distance of 78.98 feet, to the point  
and place of beginning.

This conveyance is subject to all buildings restrictions and ordinances now or hereafter in effect, and subject to all easements, rights-of-way, reservations, restrictions, servitudes and other rights in third parties now of record or now readily apparent on the ground.

BEING the same premises conveyed by International Paper Company to Antrim Mining, Inc. by deed dated December 23, 1991 and recorded in Tioga County Record Book 556 at page 001.

EXCEPTING AND RESERVING 0.999 acres as conveyed from Antrim Mining, Inc. to Dennis G. Walbridge, single, by Deed dated September 8, 1994 and recorded in Tioga County Record Book 623 at page 327.

TRACT NO. 3:

BEGINNING at a point in the centerline of SR 3009, the southeast corner hereof; thence S 42° 41' 35" W along said centerline of SR 3009 a distance of 424.45 feet to a point; thence S 26° 57' 38" W along said centerline of SR 3009 a distance of 33.82 feet to a point; thence N 70° 48' 50" W a distance of 92.43 feet; thence S 43° 17' 49" W a distance of 21.07 feet; thence S 31° 34' 02" W a distance of 77.29 feet; thence S 14° 02' 00" W a distance of 56.31 feet; thence S 27° 52' 39" W a distance of 40.56 feet to a point on the northerly side of the existing haul road; said point being 30.00 feet from the centerline of said haul road; thence along the northerly and easterly side of said haul road the following courses and distances:

S 40° 30' 14" W a distance of 58.22 feet;  
S 50° 54' 57" W a distance of 66.89 feet;  
S 55° 55' 24" W a distance of 254.52 feet;  
S 58° 50' 14" W a distance of 320.61 feet;  
S 62° 12' 30" W a distance of 56.12 feet;  
S 69° 17' 18" W a distance of 63.28 feet;  
S 87° 41' 27" W a distance of 72.66 feet;  
N 63° 44' 00" W a distance of 31.77 feet;  
N 35° 22' 50" W a distance of 60.33 feet;  
N 20° 04' 04" W a distance of 81.57 feet;  
N 15° 00' 41" W a distance of 239.94 feet;  
N 12° 21' 18" W a distance of 34.11 feet;  
N 09° 47' 23" W a distance of 75.16 feet;  
N 11° 10' 22" W a distance of 56.22 feet;  
N 02° 29' 10" W a distance of 102.70 feet;  
N 01° 19' 34" W a distance of 129.68 feet;

N 03° 44' 19" W a distance of 87.45 feet to a point, the northwest corner hereof, thence N 78° 24' 02" E along lands of International Paper Company, a distance of 1378.80 feet to an iron rod corner, the northeast corner hereof, thence S 22° 01' 51" E a distance of 216.89 feet to a point in the centerline of SR 3009, the southeast corner hereof, the point and place of beginning.

Containing 20.931 acres in accordance with a survey dated May 1992 by Harold Mainus, under the direction of Boyer Kantz, P.L.S.

Being the same premises conveyed from International Paper (IP) Timberlands Operating Company, Ltd. To Antrim Mining, Inc. by deed dated September 8, 1994 and recorded in Tioga County Deed Book 624, Page 959.

This conveyance is subject to all matters of record, including (but not limited to) all outstanding oil, gas, and other mineral and/or royalty rights and interests shown of record on any of said premises.

To the best of GRANTOR's knowledge (without inquiry or investigation), the premises herein conveyed do not contain Hazardous Waste as defined in 35 P.S. §6018.102. As used herein, the term "Grantor's knowledge" is limited to the knowledge of the signatory of this instrument. In compliance with the disclosure requirements of 35 P.S. 6018.405, GRANTOR hereby discloses it has previously leased the premises from a prior grantor. GRANTEE, pursuant to the terms of a Department of Environmental Regulation Consent Order dated December 31, 1991, has operated settling ponds on the premises which contain, among other materials, acidic water. The exact location of the ponds is shown on that certain survey of the sale parcel by Boyer Kantz dated May 16, 1994.

ALSO GRANTING AND CONVEYING THE PIPELINE EASEMENTS as more particularly described in Tioga County Office of the Recorder of Deeds Record Book 652, page 390; Record Book 553, page 277; and Record Book 572, page 675.

GRANTOR certifies that the land hereby conveyed and through which the pipeline runs has, to its knowledge, never been used for hazardous waste disposal as that term is used in Solid Waste Management Act No. 97 of 1980. This notice is given pursuant to the requirements of Section No. 405 of said Act. (35 P.S. 6018-101 et seq.)

UNDER AND SUBJECT to the following reservations, exceptions, provisions, terms and conditions:

(a) All reservations, easements, agreements, restrictions, limitations, and any and all documents or record;

(b) Such a state of facts as an accurate survey might show;

(c) Zoning ordinances, subdivision and planning laws, regulations, restrictions and limitations, building code restrictions and all laws, rules and regulations relating to land, law, and structures and their use, including but not limited to building, building and construction, building line and use and occupancy restrictions; AND SUBJECT TO THE POSSIBILITY OF SUBSIDENCE AND LOSS OF SUPPORT UNDER THE SURFACE AND DAMAGE TO BUILDINGS AND STRUCTURES CAUSED BY PRIOR OR FUTURE COAL MINING OPERATIONS. (THE GRANTEE WAIVES ANY OTHER NOTICE RELATIVE TO POSSIBLE SUBSIDENCE OR LOSS OF SUPPORT.);

(d) All legal roads and highways;

(e) Taxes and assessments (both general and special) not then due and payable.

It is the intent of the Grantor to convey all lands, rights, liberties, privileges, hereditaments and appurtenances whatsoever remaining to Grantor at the time it executes this deed.

ALL PARCELS HAVE NOTICE - THIS DOCUMENT DOES NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended, and is not intended as notice of unrecorded instruments, if any.)

AND the said grantor will not warrant nor defend the property hereby conveyed.

IN WITNESS WHEREOF, the said Grantor has caused this deed to be signed by its President and attested to by its secretary on the day and year first above written.

ANTRIM MINING, INC.

Richard D. Mase  
Richard D. Mase, President

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF ~~TIOGA~~ <sup>LYCOMING</sup> ) ss:

On this, the 8th day of March, 1999, before me, the undersigned officer, personally appeared Richard D. Mase, who acknowledged himself to be the president of Antrim Mining, Inc., the foregoing corporation, and that as such, he, being authorized by such corporation to do so, executed the foregoing deed for the purpose therein contained by signing his name thereon as such.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Dorothy E. Norton  
My commission expires: NOTARIAL SEAL  
DOROTHY E. NORTON, NOTARY PUBLIC  
WILLIAMSPORT, LYCOMING COUNTY, PA  
MY COMMISSION EXPIRES AUG. 4, 2001

#### CERTIFICATE OF RESIDENCE

I hereby certify, that the precise residence of the grantee herein is as follows: WOODLANDS BANK, 2450 E. THIRD ST., WILLIAMSPORT, PA 17701

Edith T. Derry

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF TIOGA

RECORDED on the \_\_\_\_\_ day of \_\_\_\_\_, 1999 at \_\_\_\_\_ o'clock  
A.M. in Deed Book \_\_\_\_\_ at page \_\_\_\_\_ and examined.

\_\_\_\_\_  
Clerk

## BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that ANTRIM MINING, Inc. of Main St., Blossburg, Tioga County, Pennsylvania, in consideration of the sum of One and no/100 Dollar (\$1.00) and other valuable consideration in hand paid by ANTRIM TREATMENT TRUST at and before the ensembling and delivering of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, released and confirmed, and by these presents does hereby grant, bargain, sell, release, and confirm unto the said ANTRIM TREATMENT TRUST all real property and goods, chattels and articles of personal property mentioned herein:

SCHEDULE "A" attached hereto

and all right, title and interest in and to the same.

TO HAVE AND TO HOLD, all and singular, the said goods, chattels and articles of personal property and every of them, by these presents bargained, released, sold, and delivered, granted and confirmed unto the said ANTRIM TREATMENT TRUST, to and for their only proper use and behoof, their heirs, executors, administrators and assigns forever.

And the said ANTRIM MINING, INC. does by the presents hereby promise, covenant and agree, to ANTRIM TREATMENT TRUST, its successors and/or assigns to specially warrant the real property and to warrant and defend the title of said goods, chattels and articles of personal property against all and every person and persons whomsoever.

IN WITNESS WHEREOF, Antrim Mining, Inc. has hereto executed this instrument this 8th day of March, 1999.

Witness:

Paul Theodorakos

ANTRIM MINING INC.

By: Richard Mase  
Richard Mase, President

ACCEPTED BY:

L.B. Brubaker vpr TC

ANTRIM TREATMENT TRUST

EXHIBIT B



SCHEDULE A

1. Warranty Deed from Antrim Mining, Inc. to Antrim Treatment Trust, dated March 8, 1999 and recorded in the Tioga County Office of the Recorder of Deeds in Record Book at page .
2. The Water Treatment Plant located on land deeded to Antrim Treatment Trust, recorded in Tioga County Record Book at page .
3. All equipment located in the Water Treatment Plant identified in No. 2 above.
4. All tools associated with the Water Treatment Plant identified in No. 2 above.
5. Any other physical assets identified with or pertaining to the Water Treatment Plant identified in No. 2 above.

**WOODLANDS BANK  
REVOCABLE AND IRREVOCABLE TRUSTS  
FEE SCHEDULE**

Accounts Invested in Individual Securities

Market Value Fee

\$7.50 per \$1000 on the first \$200,000  
\$6.00 per \$1000 on the next \$300,000  
\$5.00 per \$1000 on the next \$500,000  
\$4.00 per \$1000 on the next \$500,000  
\$3.00 per \$1000 on the next \$500,000  
\$2.00 per \$1000 on the balance

Minimum Annual Fee: \$750

Additional fee will be charged for bill paying.

Exhibit C