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TRUST AGREEMENT

dated April 15, 1992

Between

THE FLORENCE MINING COMPANY

and

PITTSBURGH NATIONAL BANK

for the benefit of

- ATLANTIC CITY ELECTRIC COMPANY
  - BALTIMORE GAS AND ELECTRIC COMPANY
  - DELMARVA POWER & LIGHT COMPANY
  - METROPOLITAN EDISON COMPANY
  - PENNSYLVANIA POWER & LIGHT COMPANY
  - PHILADELPHIA ELECTRIC COMPANY
  - POTOMAC ELECTRIC POWER COMPANY
  - PUBLIC SERVICE ELECTRIC AND GAS COMPANY
  - UGI CORPORATION
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TRUST AGREEMENT

This TRUST AGREEMENT (this "Agreement") made April 15, 1992,

between

THE FLORENCE MINING COMPANY, a Pennsylvania corporation ("Florence"),

and

PITTSBURGH NATIONAL BANK, a national banking association having trust powers, as Trustee (the "Trustee"),

for the benefit of

ATLANTIC CITY ELECTRIC COMPANY, a New Jersey corporation, BALTIMORE GAS AND ELECTRIC COMPANY, a Maryland corporation, DELMARVA POWER & LIGHT COMPANY, a Delaware and Virginia corporation, METROPOLITAN EDISON COMPANY, a Pennsylvania corporation, PENNSYLVANIA POWER & LIGHT COMPANY, a Pennsylvania corporation, PHILADELPHIA ELECTRIC COMPANY, a Pennsylvania corporation, POTOMAC ELECTRIC POWER COMPANY, a District of Columbia and Virginia corporation, PUBLIC SERVICE ELECTRIC AND GAS COMPANY, a New Jersey corporation, and UGI CORPORATION, a Pennsylvania corporation, (collectively, the "Owners" or "Conemaugh Owners"),

WITNESSETH

WHEREAS, the Owners and Florence entered into that certain Operating Agreement dated October 30, 1991 (the "Operating Agreement") providing, among other things, for the termination of a certain Coal Supply Agreement, more fully identified in the Operating Agreement, and for the payment by the Owners to Florence of all the Cost of Production due under the said Coal Supply Agreement (the said Operating Agreement and the said Coal Supply Agreement being hereinafter referred to collectively as the "Predecessor Agreements");

WHEREAS, the price to be paid by the Owners to Florence for the coal sold and delivered under the said Coal Supply Agreement was determined by the "Cost of Production" incurred by Florence for such coal so sold and delivered, plus a profit, and the Operating Agreement provided that all amounts payable by the Owners in respect of the Cost of Production would be ascertained and paid or otherwise provided for not later than the Ending Date (as defined and provided for in Section 7 of the Operating Agreement), whereupon, as provided in Section 26 thereof, the Operating Agreement would expire;

WHEREAS, as provided by that certain Termination Agreement between the Owners and Florence of even date herewith (the ~~Termination Agreement~~"), Florence and the Owners (i) have agreed upon a final and binding identification, quantification and payment by the Owners of the Cost of Production, and (ii) have agreed that the Ending Date shall be advanced to the date of delivery of the Termination Agreement;

WHEREAS, under the Termination Agreement Florence releases and discharges the Owners from any further liability and for any profit, and indemnifies the Owners from and against any liability under the Termination Agreement, or under the Predecessor Agreements, or in connection with the various transactions contemplated by any thereof;

WHEREAS, the Termination Agreement requires that Florence and the Trustee enter into this Agreement and that the amount specified in Section 1(a)(2) of the Termination Agreement shall be paid by the Owners to the Trustee to be held and applied as herein set forth, all in order (i) to ensure the application of the Trust Fund created hereby to the payment and discharge of Florence's obligations constituting the several elements of the Cost of Production, and (ii) to secure to the Owners the benefits of the bargained for release and indemnification under the Termination Agreement;

WHEREAS, unless otherwise defined in this Agreement, terms which are defined in the Termination Agreement (including by reference to the Operating Agreement) and capitalized in this Agreement are used herein as defined in the Termination Agreement;

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

1. CREATION OF TRUST; DEPOSIT OF FUNDS BY THE OWNERS AND FLORENCE; TRUSTEE'S ACKNOWLEDGMENT OF RECEIPT AND AGREEMENT TO HOLD THE FUND IN TRUST. Concurrently with the execution and delivery of this Agreement and the delivery of the Termination Agreement,

(a) the Owners are paying to the Trustee, and the Trustee hereby acknowledges receipt from the Owners, the sum of

[REDACTED];

under the Termination Agreement the Owners have also agreed to pay to the Trustee within 21 calendar days, for deposit in the Continuing Water Treatment Account referred to in Section 3(a)(3) below, the sum of

[REDACTED].

(b) Florence is paying to the Trustee, and the Trustee hereby acknowledges receipt from Florence, the sum of

[REDACTED]

being the aggregate of the amounts on deposit in Florence's segregated funds heretofore held and maintained for the payment of the following costs:

[REDACTED] for Mine Sealing costs, and

[REDACTED] for Continuing Water Treatment costs.

The Trustee shall hold in trust, invest and reinvest the foregoing as a separate fund (the "Trust Fund"), and shall apply and distribute the Trust Fund strictly in compliance with this Agreement. The Trust Fund shall not be subject to assignment or alienation, voluntary or involuntary or by operation of law, by, on behalf of or in respect of Florence, shall not be subject or applied to the debts, obligations or liabilities of Florence other than as herein provided, or to levy, attachment or other judicial process, including without limitation any direct action or seizure by any creditor or claimant under any writ or proceeding at law or in equity. Florence shall have no rights with respect to the Trust Fund except

(i) to have the same applied to the payment and discharge of certain of its obligations as herein provided upon compliance with the terms, conditions and procedures herein set forth, and

(ii) to receive distributions therefrom only upon the satisfaction of the terms and conditions herein set forth or upon the termination of the trust and expiration of this Agreement as provided in Section 9 below.

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Florence's entry into this Agreement and the creation of the trust herein provided for is for the purposes of (i) restricting and limiting, to the extent and for the term herein provided, the transfer of the Trust Fund to the payment of Florence's obligations described in Sections 2 and 3 below (to the exclusion of Florence's other obligations and liabilities), and (ii) removing from Florence's estate under the bankruptcy or similar laws all interest in the Trust Fund except Florence's specific rights to receive certain payments and disbursements from the Trust Fund, including its compensation referred to in Section 3(9) below, and its rights to receive the remaining Trust Fund at the expiration of this Agreement as provided in Section 9 below. All payments made to the Trustee or deposits in the Trust Fund by Florence shall be irrevocable once made, and upon delivery thereof by Florence all interest of Florence therein shall cease and terminate, and no part thereof, nor any income therefrom, shall be used for or devoted to purposes other than for the exclusive benefit of the Trust Fund as herein provided. Except as provided in Section 9 hereof, no part of the Trust Fund shall at any time revert to Florence.

2. APPLICATION AND USE OF THE TRUST FUND. Florence has entered into this Agreement and the Owners and Florence have made the aforesaid payments to the Trustee in order (i) to ensure that the Trust Fund shall be applied exclusively to the payment and discharge of Florence's obligations constituting the several elements of the Cost of Production by which the price of coal purchased by the Owners was measured under the Predecessor Agreements and the final payment of which was made by the Owners to Florence pursuant to the Termination Agreement; (ii) to preclude the application of the Trust Fund to the payment of any costs attributable to any production, processing or delivery of coal by Florence subsequent to October 30, 1991, or attributable to any operations or activities of Florence other than its performance of the Predecessor Agreements, the Termination Agreement and this Agreement, and (iii) to secure to the Owners the benefits of the bargained for release and indemnification of the Owners under the Termination Agreement, provided, however, that nothing contained in this Agreement, in the Termination Agreement or in the Predecessor Agreements (including use of the term "Cost of Production" in determining the purchase price to be paid by the Owners for the coal sold and delivered by Florence under the Predecessor Agreements) shall have the effect of imposing on the Owners any liability or obligation of Florence, or be deemed to imply that the Owners are now or ever have been in any way responsible for any of Florence's liabilities or obligations constituting the several elements of the Cost of Production, the Owners' obligation having been at all times limited to paying to Florence the purchase price of coal specified by the Predecessor Agreements and measured by the Cost of Production as therein defined and provided.

(X)

3. ACCOUNTS WITHIN THE TRUST FUND; DISBURSEMENTS AND DISTRIBUTIONS FROM AND TRANSFERS AMONG THE ACCOUNTS.

(a) Establishment and Designation of Accounts. The Trustee shall establish within the Trust Fund subaccounts for record keeping purposes (hereinafter "Accounts") designated as set forth below and representing the several kinds of disbursements to be made from the Trust Fund by the Trustee, in some cases to Florence and in others directly to third-party payees, to discharge Florence's obligations with respect to the indicated elements of the Cost of Production. The Trustee shall divide for record keeping purposes the aggregate amount deposited under Section 1 above among the several Accounts, and shall withdraw and disburse funds from the several Accounts, as follows, provided, however, that in no event shall any funds be applied from any Account to any obligation or liability of Florence which is not an element of the Cost of Production of coal sold and delivered to the Owners under the Predecessor Agreements:

(1) Workers' Compensation, [REDACTED]. The Trustee shall make quarterly disbursements from the Workers' Compensation Account to Florence, against Florence's Requisition (as defined in Section 4 below) therefor, to provide Florence with the funds to make its ongoing workers' compensation payments attributable to claims arising from Florence's operations under the Predecessor Agreements. Such quarterly disbursements shall be in the amount of [REDACTED] until such time as Florence shall furnish to the Trustee the report of an Independent Actuary (as hereinafter defined) specifying a greater or lesser quarterly amount and setting forth the derivation of such greater or lesser quarterly amount. Upon delivery to the Trustee of the certification of an Independent Actuary (as hereinafter defined) that all such costs have been paid in full, the Trustee shall transfer to the Reserve Account (as defined in Section 3(a)(10) below) any amount then remaining in the Workers' Compensation Account.

(2) Mine Sealing, [REDACTED]. The Trustee shall from time to time make disbursements from the Mine Sealing Account, against Florence's Requisition therefor, (i) to pay the costs of sealing the Mines in accordance with the Mine Closing Plan (as hereinafter defined), and (ii) to pay the capital costs of constructing and installing the facilities specified by the Mine Closing Plan for continuing water treatment, in each case up to the amounts specified in the Mine Closing Plan, or in such greater amount as may be specified in the report of an Independent Engineer (as hereinafter defined) setting forth the derivation of such greater amount. Upon

delivery to the Trustee of the certification of an Independent Engineer that all such costs have been paid in full, the Trustee shall transfer to the Reserve Account any amount then remaining in the Mine Sealing Account.

(3) Continuing Water Treatment, [REDACTED] (plus the [REDACTED] to be paid within 21 days as provided in Section 1(b) above). Commencing at the time specified in the Mine Closing Plan and continuing until the expiration of this Agreement as provided in Section 9 below, the Trustee shall make quarterly disbursements from the Continuing Water Treatment Account, against Florence's Requisition therefor, to pay to third parties, or to provide Florence with the funds to pay, Florence's continuing water treatment costs. Such quarterly disbursements shall be in the amount of [REDACTED] until such time as Florence shall furnish to the Trustee the report of an Independent Engineer specifying a greater or lesser quarterly amount and setting forth the derivation of such greater or lesser quarterly amount. The Trustee shall also pay from this Account, against Florence's Requisition therefor, amounts payable to the Owners or to Rochester & Pittsburgh Coal Company ("R&P") (formerly the owner of all Florence's capital stock) on account of R&P's loss of income tax deductions heretofore taken by R&P for the funding of anticipated Mine Closing costs. Upon the expiration of this Agreement and the termination of the trust created hereby in accordance with Section 9 below, the entire amount in the Continuing Water Treatment Account shall be paid to Florence free and clear of any trust.

(4) Salaried Pension, [REDACTED]. The Trustee shall pay from the Salaried Pension Account, against Florence's Requisition therefor accompanied by a written report of an Independent Actuary confirming the issuance and sufficiency of the annuities referred to below, the amount required to be added to the assets of Florence's now terminated defined benefit pension plan for salaried employees in order to purchase from one or more Responsible Insurers (as hereinafter defined) annuities to provide all eligible participants with the pension benefits formerly provided by such plan; upon Florence's certification to the Trustee that it has purchased such annuities, the Trustee shall transfer to the Reserve Account any amount then remaining in the Salaried Pension Account.

(5) Contractual Withdrawal Liability, [REDACTED]. The Trustee shall from time to time make payments from the Contractual Withdrawal Liability Account, against



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Florence's Requisitions therefor accompanied by billings for at least the requisitioned amounts, on account of Florence's Withdrawal Liability to the trustees of the UMW 1950 and 1974 Benefit Trusts under Sections (i) and (j) of Article XX of the 1988-93 NBCWA. Upon delivery to the Trustee of either the acknowledgment by the said trustees or the opinion of Independent Counsel that all such Withdrawal Liability has been paid in full, the Trustee shall transfer to the Reserve Account any amount then remaining in the Contractual Withdrawal Liability Account.

(6) Statutory Withdrawal Liability, [REDACTED].  
The Trustee shall from time to time make payments from the Statutory Withdrawal Liability Account, against Florence's Requisitions therefor accompanied by billings for at least the requisitioned amounts, on account of Florence's liability to the trustees of the UMW 1950 and 1974 Pension Trusts under ERISA §4201. Upon delivery to the Trustee of either the acknowledgment by the said trustees or the opinion of Independent Counsel that all such liability has been paid in full, the Trustee shall transfer to the Reserve Account any amount then remaining in the Statutory Withdrawal Liability Account.

(7) Current Retiree Medical/Insurance, [REDACTED].  
The Trustee shall make quarterly disbursements from the Current Retiree Medical/Insurance Account to Florence, against Florence's Requisition therefor, to provide Florence with the funds to make its ongoing payments of health, medical and other insurance benefits to its retired UMW personnel through the expiration on January 31, 1993 of the 1988-93 NBCWA, and to its retired non-UMW personnel until Florence's obligation to pay such benefits ceases. The recipients of such benefits for which Florence may be reimbursed from this Account shall be limited to those retiring prior to the date hereof. Such quarterly disbursements shall be in the amount of [REDACTED] until such time as Florence shall furnish to the Trustee the report of an Independent Actuary specifying a different quarterly amount and setting forth the derivation of such different amount. Upon delivery to the Trustee of the certification of an Independent Actuary that all such costs have been paid in full, the Trustee shall transfer to the Reserve Account any amount then remaining in the Current Retiree Medical/Insurance Account.

(8) NBCWA Layoff Wages and Benefits, [REDACTED].  
The Trustee shall make quarterly disbursements from the NBCWA Layoff Wages and Benefits Account to Florence, against Florence's Requisition therefor, to provide

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Florence with the funds to make its ongoing payments of layoff wages and benefits to its laid off UMWA miners. The recipients of such benefits for which Florence may be reimbursed from this Account shall be limited to those laid off prior to the date hereof. Such quarterly disbursements shall be in the amount of [REDACTED] until such time as Florence shall furnish to the Trustee the report of an Independent Actuary specifying a different quarterly amount and setting forth the derivation of such different amount. Upon delivery to the Trustee of the certification of an Independent Actuary that all such costs have been paid in full, the Trustee shall transfer to the Reserve Account any amount then remaining in the NBCWA Layoff Wages and Benefits Account.

(9) Post Contract Administration, [REDACTED]. The Trustee shall make quarterly disbursements from the Post Contract Administration Account to Florence, against Florence's Requisition therefor, to provide Florence with the funds to pay its internal administrative and overhead costs relating to its performance of this Agreement and the Termination Agreement and to make its ongoing payments of the fees and expenses of the Trustee and of the Independent Actuaries, Engineers, Accountants and Counsel. Such quarterly disbursements shall be in the amount of [REDACTED] until such time as Florence shall furnish to the Trustee its certificate specifying a different quarterly amount and setting forth in general the derivation of such different amount, which certificate shall be accompanied by an opinion of Independent Counsel to the effect that the costs described in such certificate are of the character to be paid from this Account. Pursuant to Section 12 below, the fees and expenses of the Trustee may be paid directly to the Trustee from this Account (or in the event this Account shall be insufficient, then from the Reserve Account). The Trustee shall also pay from this Account to Florence the compensation specified in Section 4 of the Termination Agreement. Upon delivery to the Trustee of Florence's certification that all such costs have been paid in full or adequate provision has been made therefor, the Trustee shall transfer to the Reserve Account any amount then remaining in the Post Contract Administration Account.

(10) Reserve, [REDACTED]. The deposits in the foregoing Accounts constitute the estimated amounts of the respective elements of the Cost of Production payable therefrom, without any reserve for contingencies or error in the estimates. The Trustee shall hold and apply the Reserve Account as hereinafter set forth, and shall from time to time, without further direction from

Florence, transfer from the Reserve Account to any of the foregoing Accounts such amounts as may be necessary to make up any shortfall in the amount available in such Account to pay, when due and payable, any element of the Cost of Production to be paid from such Account. The Trustee shall also pay from the Reserve Account, against Florence's Requisition therefor, any other element of the Cost of Production for which provision is not made through the foregoing Accounts. Any such Requisition shall be accompanied by (i) a written opinion of Independent Counsel to the effect that the payment so requested is on account of an obligation or liability of Florence of a character constituting an element of the Cost of Production, and (ii) such supporting certificate or report of an Independent Engineer or Independent Actuary as may be referred to in such opinion of Independent Counsel or as the Trustee may in its discretion require. The Trustee shall be under no obligation to act in response to any such Requisition in the event the Reserve Account has been depleted. Upon the expiration of this Agreement and the termination of the trust created hereby in accordance with Section 9 below, the entire amount in the Reserve Account, if any, shall be paid to Florence free and clear of any trust.

(b) Annual Adjustment of Quarterly Disbursements.

Within 60 days after the end of each fiscal year (November 1 -- October 31 at the time of delivery of this Agreement) of Florence, Florence shall certify to the Trustee the amount, if any, by which the Trustee's quarterly disbursements from Accounts Nos. (1), (3), (7), (8) and (9) during such preceding fiscal year exceeded Florence's actual expenditures for each such element of the Cost of Production during such year. The Trustee shall deduct the respective amounts of any such excesses from the next quarterly disbursements from the respective Accounts. In the event no such certification is received by the Trustee within such 60 day period, the Trustee shall be entitled to act as if no such excess disbursements occurred during the preceding fiscal year.

(c) Termination of Accounts. Each Account other than the Continuing Water Treatment Account and the Reserve Account shall terminate and any balance therein shall be transferred to the Reserve Account as set forth above, or when an Independent Actuary shall certify with respect to Account No. (1), (4), (7) or (8) above, an Independent Counsel shall certify with respect Account No. (5) or (6) above, or an Independent Engineer shall certify with respect to Account No. (2) above, that by reason of Florence's payment and discharge thereof in their entirety or by reason of Florence's purchase of insurance as provided in Section 10 below, Florence has no further obligations of the character to be paid from such Account.

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4. REQUISITIONS. Any distribution from the Trust Fund, whether to a third party or to Florence, shall be made only against delivery by Florence to the Trustee of a written requisition in substantially the form of Exhibit "A" (a "Requisition") and accompanied by such other reports, certifications and other documents as may be required hereby. Such delivery shall constitute Florence's representation and warranty that the matters therein set forth are true, correct and complete, which representation and warranty shall survive any payment by the Trustee in response to such Requisition. The Trustee shall be under no obligation to act in response to any Requisition which in the exercise of its reasonable discretion the Trustee determines, and so notifies Florence, to be incomplete or defective in form for it to carry out its duties hereunder.

5. MINE CLOSING PLAN; INDEPENDENT ACTUARIES, ENGINEERS, ACCOUNTANTS AND COUNSEL.

(a) The Mine Closing Plan is set forth in that certain document entitled "Closure Cost Analysis - Florence Mining Company" dated March 1992 prepared by John T. Boyd & Co., initialled for identification on behalf of Florence and the Owners, and a copy of which has been delivered to the Trustee. The Mine Closing Plan contains, among other things, the information referred to in the descriptions in Section 3 above of the Mine Sealing and Continuing Water Treatment Accounts.

(b) Each Independent Actuary, Independent Engineer and Independent Counsel shall be selected by Florence from among the following individuals or firms:

Independent Actuaries -

Foster Higgins  
Milliman & Robertson, Inc.  
The HDH Group, Inc.  
Alexis, Inc.

Independent Engineers -

John T. Boyd & Co.  
Muesser Engineering  
Misner & Earl (re: continuing water treatment only)  
USERS, Inc. (re: continuing water treatment only)  
Gates Engineering

Independent Accountants -

Arthur Andersen & Co.  
Ernst & Young  
Palguta, Yutsy & Co., Somerset, PA.  
Barnes & Saley, Johnstown, PA.

Independent Counsel -

Barbera & Barbera  
Reed Smith Shaw & McClay  
Buchanan Ingersoll

6. WORKERS' COMPENSATION LIABILITY. The Workers' Compensation Account constitutes the Workers Compensation Trust referred to and defined in that certain Amended and Restated Escrow and Security Agreement dated March 20, 1992 (the "ESA") by and among Pittsburgh National Bank as Escrow Agent, Florence, and Pittsburgh National Bank as the issuer of a letter of credit as described therein. The distributions which the ESA, particularly Section 7(b) thereof, provides shall be made from the Escrow Fund under the ESA to the Workers' Compensation Trust shall be made to the Workers' Compensation Account. Florence acknowledges that, as more fully set forth in Section 3 of the Termination Agreement, the amounts available from the Workers' Compensation Account (including the aforesaid payments pursuant to the ESA) may be less than the total workers' compensation benefits payable by Florence.

7. INVESTMENT OF THE TRUST FUND.

(a) Availability of Funds. The Trustee shall invest moneys in the Trust Fund in investments which shall mature, or shall be subject to redemption by the holder thereof, or shall be subject to a binding obligation of repurchase by an incorporated bank or trust company (including the Trustee) organized under the laws of the United States or any state thereof and having a combined capital and surplus of at least [REDACTED], at not less than the principal amount thereof or the cost of acquisition, whichever is lower, and all deposits in time accounts shall be subject to withdrawal, not later than the date when the amounts will foreseeably be needed for purposes of this Agreement. In order to aid the Trustee in selecting investments of the Trust Fund, Florence shall provide the Trustee with information as to choosing between taxable and tax-exempt investments and as to the maturity of investments, and/or with estimates and projections as to the time and amounts of distributions from the Trust Fund; the Trustee shall rely upon such information, estimates and projections and shall be under no liability for any loss upon the sale or redemption of such investments due to an acceleration in the time of such distributions.

(b) Permitted Investments. Investments permitted hereunder shall be limited to (i) obligations issued or guaranteed by the United States of America or by any agency controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States; (ii) tax exempt or taxable obligations or preferred stock rated at least A+ or the equivalent by Moody's Investors Service, Inc. or Standard & Poor's Corporation or

another nationally recognized rating agency; (iii) certificates of deposit or money market accounts of commercial banks (including the Trustee) having a combined capital and surplus of at least [REDACTED]; (iv) commercial or finance company paper or short term tax exempt or taxable obligations rated at least P-1 or the equivalent by Moody's Investors Service, Inc., or A-1 or the equivalent by Standard & Poor's Corporation, or in an equivalent rating grade by another nationally recognized rating service; (v) bankers' acceptances drawn on and accepted by, or repurchase agreements fully secured by obligations of the type specified in (i) above with, any commercial bank (including the Trustee) having a combined capital and surplus of at least [REDACTED] and (vi) mutual funds whose investments consist of at least 90% of the foregoing. W.F. WARD

(c) Accounting for Gains and Losses. The Trust Fund shall be invested as an entirety, with all gains and losses being credited or charged to the Reserve Account; if the Reserve Account is exhausted as a result of the charge of any such loss, the remainder of such loss shall be allocated among the other Accounts pro rata according the amounts then held therein.

8. TRUSTEE'S REPORTS; AUDITS. The Trustee shall furnish to Florence a quarterly report and an annual summary, in such format and detail as Florence may request, with due regard to the capabilities of the systems and fee schedules of the Trustee, of all transactions involving the Trust Fund and the several Accounts therein (subaccounts for record keeping purposes), including investments thereof, income accrued therein for the period covered by such report, distributions therefrom and balances remaining therein. Florence may from time to time have the Trust Fund and each said Account, including the transactions involving the same, audited by one of the Independent Accountants, including in order to comply with the requirements of Section 6 of the Termination Agreement, the cost of any such audit to be paid out of the Post Contract Administration Account, or by Florence in the event such Account is insufficient. Upon the expiration of 90 days from the date of filing with Florence of any such annual summary, or upon the earlier specific approval thereof by Florence, the Trustee shall be forever released and discharged from all liability and accountability to Florence and the Owners with respect to the propriety of its acts and transactions shown in such annual summary, except with respect to any such acts or transactions to which Florence shall, within such 90 day period, file written objections with the Trustee. Nothing herein contained, however, shall be deemed to preclude the Trustee of its right to have its account judicially settled by a court of competent jurisdiction.

9. TERMINATION OF THE TRUST. The trust created hereby shall terminate, this Agreement shall expire, and the entire Trust Fund shall be distributed to Florence free and clear of any trust

at the close of business on December 31, 2007; provided, however, that if Florence shall fulfill its obligations under, and comply in all respects with, this Agreement and the Termination Agreement, then such termination, expiration and distribution shall occur 60 days after the Owners receive the audited financial statements for Florence and the Trust Fund, required by Section 6 of the Termination Agreement, for a full fiscal year ending on or after October 31, 1997. The Trustee may determine that Florence has fulfilled its obligations under and complied in all respects with this Agreement and the Termination Agreement based on Florence's certificate to such effect together with the absence of any claim to the contrary by the Trustee or by any third party of which the Trustee has actual knowledge, provided, however, that Florence shall, if so requested by the Trustee, deliver to the Trustee such opinion or advice of Independent Counsel with respect to such fulfillment and compliance as such Independent Counsel is able to furnish.

10. ASSUMPTION OF FLORENCE'S OBLIGATIONS BY RESPONSIBLE INSURERS. Florence may from time to time insure with one or more insurance companies authorized by law to insure against the risk in question and rated AA or better for "financial strength" by any two of Moody's, Standard & Poor's, and Duff & Phelps, all or portions of the workers' compensation payments and medical and other postretirement benefits constituting elements of the Cost of Production; provided, however, that Florence shall first deliver to the Trustee (a) a copy of the policy of insurance evidencing that such insurer has insured, or subject to receipt of payment in a specified amount to be disbursed by the Trustee will insure, against such liability, and (b) the report of an Independent Actuary stating the liability or liabilities insured against, and stating that the insurer meets the criteria set forth above, whereupon the cost of such insurance may be paid out of the appropriate Accounts.

11. CONCERNING THE TRUSTEE. The recitals, statements and representations in this Agreement have been made by Florence and not by the Trustee, and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be answerable for the exercise of any discretion or power under this Agreement, except by virtue of its own willful misconduct or negligence. The Trustee shall be entitled to indemnity from Florence (i) against any liabilities or expenses (including reasonable fees and expenses of counsel) incurred in good faith and without negligence in the exercise and performance of its powers and duties hereunder, and (ii) against any tax imposed upon the Trust Fund or the earnings thereon or in respect of distributions therefrom. The Trustee may act on any Requisition, notice, request, authorization, consent, opinion, waiver, certificate, statement, affidavit or other document which it in good faith

believes to be genuine and to have been signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Agreement; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement and the propriety of action in accordance therewith. The Trustee shall be under no duty or obligation (i) to determine or inquire into the occurrence of any event or condition under, or the performance or failure of performance of any party to, the Termination Agreement or the Predecessor Agreements, or (ii) to see to the application of any distribution from the Trust Fund made in accordance with a Requisition, or (iii) to compel any payment into the Trust Fund from any source (the Trustee being accountable only for money and securities actually delivered to it), or (iv) with respect to any withholding of taxes from any such distribution. The Trustee is not a party to, and has no duties or obligations under, the Termination Agreement or the Predecessor Agreements. The Trustee, to the extent necessary or appropriate for assets held pursuant hereto, may hold assets in the name of one or more nominees of the Trustee or of any national registered securities depository selected by the Trustee. None of the distributions from the Trust Fund shall constitute wages or salaries paid to individual employees which are subject to income tax withholding, and the Trustee will not withhold, remit or report any type of compensation-related taxes in connection with such distributions. The Trustee may consult with counsel and shall be protected in taking or refraining from taking any action in bona fide reliance upon the advice of such counsel. No bond or security shall be required of the Trustee. The Trustee may resign and be discharged of its duties under this Agreement by written resignation filed with Florence not less than 60 days before the date when it is to take effect. Such resignation shall take effect on the day specified therein unless a successor Trustee has been previously appointed by Florence, in which event the resignation shall take effect forthwith upon the appointment of such successor. Florence may remove the Trustee by written instrument filed with the Trustee appointing a successor Trustee. Any such successor shall be a bank having trust powers or a trust company, in each case authorized by law to be Trustee hereunder and having combined capital and surplus of at least [REDACTED] and which shall have delivered to Florence an appropriate written instrument accepting the trust created hereby and agreeing to serve as Trustee hereunder. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, shall be the successor Trustee under this Agreement, without the execution or filing of any document or any further act on the part of the parties hereto.

12. COMPENSATION OF THE TRUSTEE. The Trustee shall be entitled to deduct from the Post Contract Administration Account



on each January 1, April 1, July 1 and October 1, commencing July 1, 1992, a quarterly fee in such amount as Florence and the Trustee shall from time to time agree upon. The Trustee shall also be entitled to prompt reimbursement from the Trust Fund for its reasonable and necessary expenses and disbursements (including reasonable counsel fees). To the extent that the Trust Fund may at any time be inadequate to pay the fees and expenses of the Trustee, such fees and expenses shall be paid by Florence.

13. AMENDMENT OF THIS AGREEMENT. This Agreement shall not be subject to termination except as provided in Section 9 above, and may <sup>1</sup>not be amended so as to reduce the term hereof, to <sup>2</sup>increase the amounts distributable to Florence, <sup>3</sup>to permit application of the Trust Fund to obligations and liabilities of Florence other than elements of the Cost of Production, or <sup>4</sup>to change the provisions of this sentence. Subject to the foregoing, this Agreement may be amended or supplemented with the written consent or at the written request of Florence, without the consent or approval of any Conemaugh Owner or of any entity or natural person to or for the benefit of whom any element of the Cost of Production may be payable by Florence or by the Trustee, provided, however, that any amendment or supplement which affects the Trustee's own compensation, rights, duties or immunities shall be subject also to written consent of the Trustee.

14. NOTICES. All notices and other communications given hereunder (i) shall be in writing, (ii) shall be given either by personal delivery, facsimile transmission, recognized courier or overnight delivery service or certified or registered mail, (iii) shall be effective when personally delivered, transmitted, delivered to the courier or delivery service or deposited in the mail, and (iv) shall be addressed as follows or to such other address and to the attention of such other person as any party hereto may from time to time specify by notice to the other parties hereto:

Florence:

The Florence Mining Company  
Top of Mulligan Hill off Route 259  
(PO Box 51)  
New Florence, Pennsylvania 15944  
FAX: 412-676-4450  
Attention: President

The Trustee:

Pittsburgh National Bank  
27th Floor, One Oliver Plaza  
Pittsburgh, Pennsylvania 15265  
FAX: 412-762-4738  
Attention: Employee Benefits Department

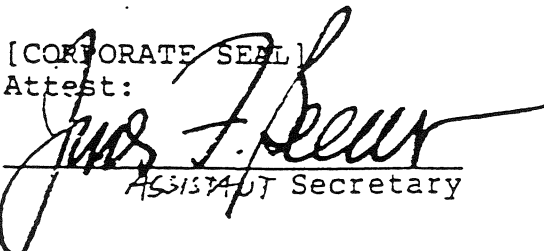
15. SUCCESSORS AND ASSIGNS; ENTIRE AGREEMENT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Florence may assign its rights, benefits and obligations under this Agreement to another corporation by written instrument or by operation of law, either (i) with the prior written consent of the Trustee or (ii) if such other corporation acquires substantially all the property of Florence through purchase, liquidation, merger or consolidation. Subject to the first sentence of Section 12 above, this Agreement constitutes the entire and only agreement between the Trustee and Florence with respect to the subject matter hereof. The Trustee and Florence shall be the only necessary parties to any litigation brought hereunder.

16. COUNTERPARTS, RECITALS, GOVERNING LAW. This Agreement may be executed in more than one counterpart and by the different parties hereto on separate counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to account for more than one such counterpart. The recitals set forth above shall constitute a part of this Agreement. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the choice of law principles of Pennsylvania.


WITNESS the due execution hereof the day and year first above written.

[CORPORATE SEAL]

Attest:

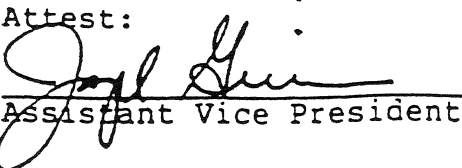
  
Assistant Secretary

THE FLORENCE MINING COMPANY

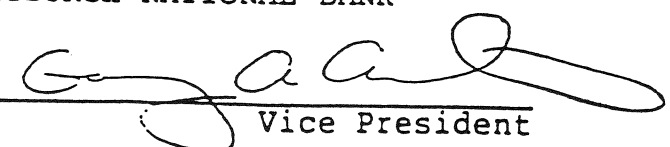
By:   
President

[CORPORATE SEAL]

Attest:

  
Assistant Vice President

PITTSBURGH NATIONAL BANK

By:   
Vice President