

# SURETY BOND INFORMATION SHEET

## FOR MINING (WATER SUPPLY OPERATION AND MAINTENANCE COSTS)

### OPERATOR INFORMATION:

To be completed by the Department of Environmental Protection:

AWS ID No. \_\_\_\_\_

Description or Location of Water Supply Affected by Operator: Additional water loss bonds for Pierson Rheems Quarry based on 30-acre Expansion area and updated Hydrogeological model.

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Bond release date (if applicable): \_\_\_\_\_

To be completed by applicant for permit:

License No.: 22847

Permit No.: 36080301

Bond type:

- Initial Water Supply and Maintenance Costs Bond
- Replacement Water Supply and Maintenance Costs Bond
- Additional Water Supply and Maintenance Costs Bond

Name of Operator: Pierson Rheems LLC

Name of Facility: Rheems Quarry

Location of Mining Activity: 5 Heisey Quarry Rd, Elizabethtown, PA 17022

West Donegal Township

(Municipality and State)

Lancaster

(County)

Mineral Type: Limestone

Business Entity Type (check one):

1) Corporation, incorporated under the laws of the State of

\_\_\_\_\_, or

2) Limited Liability Corporation, incorporated under the laws of the

State of \_\_\_\_\_, or

3) Partnership,

4) Sole Proprietorship, Registered Fictitious Business

Principal Business Address: 426 Swedesboro Road, Pilesgrove, NJ, 08098

To be completed by Surety

Name of Surety ("Surety"): \_\_\_\_\_

Surety Principal Business Address: \_\_\_\_\_

Surety Bond No.: \_\_\_\_\_

A copy of the Surety Power of Attorney is attached to this surety bond.

## SURETY BOND AGREEMENT

This surety bond agreement (“Bond”) is between Pierson Rheems LLC, (“Permittee”), \_\_\_\_\_, (“Surety”) and the Commonwealth of Pennsylvania (“Commonwealth”), acting through the Department of Environmental Protection (“Department”).

### Definitions:

**The Acts** means the BMSLCA, CRDCA, CSL, NSMCRA, and SMCRA

**BMSLCA** means “the Bituminous Mine Subsidence and Land Conservation Act” 52 P.S. § 1406.1, *et seq.*

**CRDCA** means the “Coal Refuse Disposal Control Act”, 52 P.S. § 30.51, *et seq.*

**CSL** means the “Clean Streams Law”, 35 P.S. §691.1, *et seq.*

**NSMCRA** means the “Noncoal Surface Mining Conservation and Reclamation Act”, 52 P.S. § 3301, *et seq.*

**O&M costs** means operation and maintenance costs

**SMCRA** means “the Surface Mining Conservation and Reclamation Act”, 52 P.S. § 1396.1, *et seq.*

Permittee filed an application for a license or permit (“the permit”) with the Department for:

- 1) a coal surface mining permit under SMCRA and CSL,
- 2) a coal underground mining permit under SMCRA, CSL and BMSLCA;
- 3) a coal refuse disposal control permit under CSL and CRDCA;
- 4) a noncoal surface mining permit under CSL and NSMCRA;

under which Permittee proposed to affect 115.04 acres of land in West Donegal and Mt Joy Township’s, Lancaster County, Commonwealth of Pennsylvania.

Permittee, as a result of its mining operation, has affected the water supply through contamination, diminution, or interruption land currently owned by \_\_\_\_\_, located at \_\_\_\_\_ (“Affected Water Supply”).

Permittee is obligated pursuant to the terms of the Acts to replace any affected water supply with a permanent alternative source which adequately services the pre-mining uses of the water supply in both quantity and quality.

Permittee restored or replaced the Affected Water Supply by means of \_\_\_\_\_ (“Replacement Water Supply”), and the O&M costs of the Replacement Water Supply are more than the O&M costs of the Affected Water Supply.

Department has determined that the annual increase in O&M costs for the Replacement Water Supply is \$\_\_\_\_\_.\_\_\_\_\_, and that these costs are required to be paid in a timely ongoing manner according to a plan submitted by Permittee and approved by Department.

A copy of the approved plan is attached.

Permittee, Surety, and Department intending to be legally bound agree as follows:

1. **Bond Amount.** Permittee through Surety shall post a bond with the Department in the amount of \$ 84,500. Permittee shall bind its heirs, executors, administrators, assigns, and successors to this Bond.

2. **Conditions of Obligations.** Permittee shall:

- A) perform all obligations the Acts including payments of civil penalties;
- B) comply with all amendments to the Acts;
- C) comply with all rules and regulations promulgated by the Department;
- D) comply with any order of the Department;
- E) comply with the terms of license or permit including any amendments or additions; and
- F) pay any increased O&M costs as requested by the Department

3. **Permittee Liability.** Liability upon this bond is for the amount specified in paragraph 1.

4. **Duration of Liability.** Liability continues until Permittee provides the Department with an executed release, in a form provided by the Department, attesting to the current landowner's agreement that the Permittee's obligation to pay increased O&M costs has been satisfied. The Department, in its sole discretion, may release, in writing, Permittee's obligations under this Bond prior to receipt of an executed release from the current landowner.

5. **Acknowledgement of Penal Sum.** Surety, Permittee and Department agree that the liability upon this bond is a penal sum, and as such the Commonwealth retains a property interest this Bond.

6. **Events Not Affecting Bond Liability.** Permittee and Surety agree their liability is not impaired or affected by:

- a) any renewal or extension of time for performance of any of the provisions, conditions or obligations upon which this Bond is based;
- b) any forbearance or delay in declaring this Bond to be forfeit or any forbearance or delay in enforcing payment; or
- c) bankruptcy, insolvency or financial incapacity of Permittee or Surety.

7. **Limitation of Penalties.** This Bond does not limit the Department's authority to seek any penalty, liability, or remedy authorized by law in addition to the forfeiture of this Bond.

8. **Additional Bonding.** The Department may, in its sole discretion, require an additional supplement bond from Permittee. This additional bonding will cover liability under law from the date of the issuance of the original license until the time that the Department releases the liability in writing.

9. **Additional Bond/Replacement Bond** (check one or more, if applicable):

**Additional Bond** (Check if applicable). This Bond is submitted pursuant to the permit originally issued on July 27, 2009.

This Bond covers all obligations accrued under the law from the above license issuance date until the time that the Department releases this Bond in writing. This Bond is an additional bond, supplementing all other bonding posted or to be posted for the license.

**Replacement Bond** (Check if applicable). This Bond is submitted pursuant to the permit originally issued on \_\_\_\_\_.

This Bond covers all obligations accrued under the law from the above license issuance date until such time as the Department releases, in writing, this bond of such obligations. This bond replaces the following existing bonds:

(In the table below, list bonds to be replaced)

Date of Bond	Name of Bank/Govt. Issuer	Type of Collateral	Collateral I.D. No.	Dollar Amount

The Department releases the above-listed existing bonds of all liability under the law.

**Transfer of License** (Check if applicable). This Bond is submitted pursuant to Permit No. originally issued to \_\_\_\_\_ (“former operator”) on \_\_\_\_\_.

This Bond covers all obligations accrued under the law from the above license issuance date until such time as the Department releases, in writing, this bond of such obligations. This bond replaces the following existing bonds:

(In the table below, list bonds to be replaced)

<b>Date of Bond</b>	<b>Name of Bank/Govt. Issuer</b>	<b>Type of Collateral</b>	<b>Collateral I.D. No.</b>	<b>Dollar Amount</b>

In consideration of the pledge and deposit of this bond, the Department releases the above listed existing bonds of all liability under the law.

10. **Default.** Upon a default of any conditions of this surety bond, and upon a declaration of forfeiture by the Department, Permittee and Surety authorize the Attorney General of the Commonwealth of Pennsylvania (“AG”) or any other attorney deputized by the AG to appear and confess judgment against Permittee and Surety in favor of the Commonwealth for any sum of money which is due, with or without defalcation or declaration filed. This sum shall include interests, costs, and a ten percent collection fee. This power is inexhaustible.

Permittee and Surety agree that execution upon this Bond issues upon confessed judgment for the full amount of the bond, costs, collection fees, and any accrued interest.

Surety and Permittee agree they are jointly and severally liable for payment.

11. **Surety Right to Cover.** At the Department's sole discretion and only upon written approval from the Department, Surety may reclaim the forfeited site in lieu of pay the bond amount.

13. **Limitation of Penalties.** This Bond does not limit the Department's authority to seek any penalty, liability, or remedy authorized by law in addition to the forfeiture of this Bond.

14. **Effective Date.** This Bond will become effective on the date of the last Commonwealth signature. This Bond is not binding on the Commonwealth or the Department until all required Commonwealth signatures have been obtained and the Department sends a copy of the fully executed Bond to Permittee.

15. **Applicable Law and Forum.** This Bond is governed by and must be interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania Courts. Permittee and Surety consent to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania and waive any claim or defense that such forum is not convenient or proper. Any Pennsylvania court or tribunal has *in personam* jurisdiction over Permittee and Surety, and Permittee and Surety consent to service of process in any manner authorized by Pennsylvania law. This provision may not be interpreted as a waiver or limitation of the Commonwealth of Pennsylvania's rights or defenses.

16. **Signature Authority.** Permittee and Surety represent that they have the legal authority to execute this Bond. Permittee, Surety and their signatories further represent that the signatory is fully authorized to execute this Bond. The Permittee's signed "Signature Affidavit" is attached as Exhibit A. The Surety's signed "Signature Affidavit" is attached as Exhibit B.

17. **Electronic Signatures.** This Bond may be signed electronically in accordance with the Pennsylvania Electronic Transactions Act, Act 69 of 1999, 73 P.S. § 2260.301 *et seq.*

18. **Integration and Merger.** The parties intend this statement of their agreement to constitute the complete, exclusive, and fully integrated statement of their agreement. As such, it is the sole

expression of their agreement, and they are not bound by any other agreements of whatsoever kind or nature. The parties also intend that this Bond may not be supplemented, explained, or interpreted by any evidence of trade usage or course of dealing. In entering this Bond, the parties did not rely upon oral or written statements or representations not contained within the document itself.

19. **Counterparts**. This Bond may be executed in counterparts, each of which is deemed to be an original (including copies sent to a party by electronic transmission) as against the party signing the counterpart, but which together constitute one and the same instrument. This Bond will not be complete until it bears all the signature approvals of authorized representatives of each party designated on the signature page.

[SIGNATURES TO FOLLOW]

The parties, through their authorized representatives, have signed this agreement on the dates indicated below.

**PERMITTEE:**

Pierson Rheems LLC  
(Name of Company)

By: \_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Signature of above) (Date)

By: \_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Signature of above) (Date)

**SURETY:**

\_\_\_\_\_  
(Name of Company)

By: \_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Signature of above) (Date)

**DEPARTMENT OF  
ENVIRONMENTAL PROTECTION**

\_\_\_\_\_  
(Secretary or Designee)

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
Office of Chief Counsel (Date)  
Department of Environmental Protection

\_\_\_\_\_  
Office of General Counsel (Date)

\_\_\_\_\_  
Office of Attorney General (Date)

# EXHIBIT A

## SIGNATURE AFFIDAVIT

I, \_\_\_\_\_, do hereby swear, verify, and attest that  
(Printed/Typed Name, Authorized Individual)

the following statements are true and accurate to the best of my knowledge, information, and belief:

1. I am the \_\_\_\_\_ with the following entity:  
(Printed/Typed Job Title, Job Position)

\_\_\_\_\_  
(Printed/Typed Name – Corporation, Partnership, LLC, Government Entity, Municipal Authority)

2. The attached \_\_\_\_\_  
(Bylaws, Partnership Agreement, Operating Agreement, etc.)

provide me with the authority to sign and execute documents, including bonds, contracts, grants, leases, licenses, and other agreements as may be required in the ordinary course of business for

\_\_\_\_\_  
(Printed Name of Corporation, Partnership, LLC, Government Entity, Municipal Authority)

3. The statements made in this Affidavit are true and accurate to the best of my knowledge, information and belief, under penalty of perjury, and subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

\_\_\_\_\_  
(Printed Name, Authorized Individual)

\_\_\_\_\_  
(Authorized Individual's Signature)

\_\_\_\_\_  
(Authorized Individual 's Title/Position)

**EXHIBIT B**

**SIGNATURE AFFIDAVIT**

I, \_\_\_\_\_, do hereby swear, verify, and attest that  
(Printed/Typed Name, Authorized Individual)

the following statements are true and accurate to the best of my knowledge, information, and belief:

1. I am the \_\_\_\_\_ with the following entity:  
(Printed/Typed Job Title, Job Position)

\_\_\_\_\_  
(Printed/Typed Name – Surety)

2. The attached Power of Attorney provides me with the authority to sign and execute documents, including bonds, contracts, grants, leases, licenses, and other agreements as may be required in the ordinary course of business.

3. The statements made in this Affidavit are true and accurate to the best of my knowledge, information and belief, under penalty of perjury, and subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

\_\_\_\_\_  
(Printed Name, Authorized Individual)

\_\_\_\_\_  
(Authorized Individual’s Signature)

\_\_\_\_\_  
(Authorized Individual ‘s Title/Position)