

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MAINE

MAINE PEOPLE’S ALLIANCE and)
NATURAL RESOURCES DEFENSE)
COUNCIL, INC.,)

Plaintiffs,)

v.)

1:00-CV-00069-JAW

HOLTRACHEM MANUFACTURING)
COMPANY, LLC and)
MALLINCKRODT US LLC,)

Defendants.)

**QUARTERLY PROGRESS REPORT FOR THE FIRST QUARTER OF 2023
GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
FOR PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS
TRUST**

Greenfield Penobscot Estuary Project Trust LLC, not individually but solely in its representative capacity as Trustee for the Penobscot Estuary Beneficial Environmental Projects Trust, respectfully files this Quarterly Progress Report for the First Quarter of 2023. This report is submitted in accordance with the Consent Decree in the above-captioned case (ECF 1187) and covers the period from January 1, 2023, through March 31, 2023.

Respectfully,

GREENFIELD PENOBSCOT ESTUARY
PROJECT TRUST LLC, TRUSTEE

By: /s/ Anna Grace
Senior Counsel

June 29, 2023

QUARTERLY PROGRESS REPORT FOR THE FIRST QUARTER 2023

GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
for PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS TRUST



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**QUARTERLY PROGRESS REPORT FOR FIRST QUARTER 2023
GREENFIELD PENOBSCOT ESTUARY PROJECT TRUST LLC, TRUSTEE
FOR PENOBSCOT ESTUARY BENEFICIAL ENVIRONMENTAL PROJECTS
TRUST**

I. Overview

A. Introduction

Greenfield Penobscot Estuary Project Trust LLC (the Trustee), not individually but solely in its representative capacity as Trustee of the Penobscot Estuary Beneficial Environmental Projects Trust (the Project Trust), respectfully submits this Quarterly Progress Report for the First Quarter of 2023 (the 1Q23 Progress Report). The Trustee prepared this 1Q23 Progress Report in accordance with the Consent Decree in the case *Me. People's All. and Nat. Res. Def. Council, Inc. v. HoltraChem Mfg. Co., LLC and Mallinckrodt US LLC*, Case No. 1:00-cv-00069-JAW (D. Me.) (the Consent Decree). The Consent Decree requires the Trustee to submit quarterly reports describing progress to date toward fulfilling the Trustee's and the Project Trust's obligations under the Consent Decree. This 1Q23 Progress Report is the second Quarterly Progress Report prepared and submitted by the Trustee.

On March 19, 2021, the Parties lodged a proposed consent decree with the United States District Court for the District of Maine (the Court), including a proposed trust agreement, the Penobscot Estuary Beneficial Environmental Projects Trust Agreement (Appendix C to the Consent Decree).¹ On March 30, 2021, the Parties executed the trust agreement (as amended from time to time, the Project Trust Agreement) and Mallinckrodt created the Project Trust. The Court issued an Order conditionally approving the proposed consent decree on August 4, 2022. *Order on Consent Decree and Proposed Bar Order* (ECF No. 1180). The Parties subsequently filed a revised proposed consent decree and amended the Project Trust Agreement in compliance with the Court's Order. The Court entered the Consent Decree (as revised) on October 11, 2022. *Consent Decree* (ECF No. 1187).

B. Report Contents and Structure

The Consent Decree requires the Trustee to submit to the Beneficiaries and file with the Court a written report describing the cumulative actions taken by the Project Trust or the Trustee in the performance of duties required under the Consent Decree. The Statement of Work (Appendix A to the Consent Decree) refers to these reports as Quarterly Progress Reports. The Quarterly Progress Reports must be submitted and filed within ninety days after the end of each calendar quarter. Each report must also

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Consent Decree.

include financial statements and receipts and disbursements for the preceding quarter, and a description of plans for upcoming Work.

Under Paragraph 25(c) of the Statement of Work, each Quarterly Progress Report “should be a standalone document that succinctly summarizes the current status of the Work without a need to refer to other documents or reports.” Paragraph 25(b) of the Statement of Work sets out specific categories of information that must be included in the Quarterly Progress Report, as follows: (i) actions taken toward achieving compliance with the Consent Decree; (ii) a summary of key results of sampling, tests, and all other data generated by the Project Trust and its contractors; (iii) a list and brief description of submitted Deliverables; (iv) a description of activities relating to the Work scheduled for the next four months; (v) an updated Milestone Work Schedule; (vi) modifications to work plans or schedules; (vii) activities undertaken in support of the Community Involvement Plan; (viii) updates to the form, location, or management of the project database; and (ix) financial statements, and receipts and disbursements.

The 1Q23 Progress Report presents the information required by the Consent Decree in six Sections, as described below.

- Section II – Summary of Work Progress

Section II summarizes the Project Trust’s Work progress during the Reporting Period (as defined in Section I.C, below) and Work planned during the following four months. Section II presents the information required under Paragraph 25(b) in the following sequence: (i) actions taken toward achieving compliance with the Consent Decree; and (ii) a description of Work activities planned during the following four months. Because the Project Trust has not funded or implemented Beneficial Environmental Projects, no sampling or test results, or other data were generated during the Reporting Period.

- Section III – Milestone Work Schedule

In future Quarterly Progress Reports, Section III will present the current Milestone Work Schedule required by Paragraphs 25(b)(v) and 32 of the Statement of Work. The Milestone Work Schedule will identify key activities and plans for the five-year period starting with the subject quarter. Quarterly Progress Reports will also present information on the percentage of completion for Work identified to date, delays encountered or anticipated that may have a substantive effect on future Work implementation schedules, and efforts made to anticipate and mitigate delays.

- Section IV – Community Involvement Plan

Section IV provides a summary of the current status of activities undertaken in support of the Community Involvement Plan.

- Section V – Project Database

Section V provides a summary of coordination with the Trustee for the Remediation Trust concerning the form, location, or management of the project database.

- Section VI – Administrative Activities

Section VI describes activities performed by the Project Trust that are administrative in nature and funded by the Administrative Account, including the financial affairs of the Project Trust, insurance, general contracting and procurement, and Beneficiary communications.

- Section VII - Financial Statements

Section VII presents the financial statements of the Project Trust and Trust Accounts through the end of the most recent calendar quarter, including receipts and disbursements of the Trust for the subject quarter.

C. Period Covered by the 1Q23 Progress Report

This 1Q23 Quarterly Progress Report summarizes the current status of the Work for the period January 1, 2023, through the end of the most recent quarter, March 31, 2023 (the Reporting Period). This report also includes a description of activities planned for April 1, 2023, through July 31, 2023.²

II. Summary of Project Trust Work Progress

Section II of the 1Q23 Progress Report provides a summary of the Project Trust's and the Trustee's cumulative actions taken during the Reporting Period in the performance of duties related to the Work required under the Consent Decree. Paragraphs 13, 23, 29, and 32 of the Consent Decree describe Work activities and other obligations related to the Beneficial Environmental Projects Work Category.

² For cumulative actions taken by the Project Trust and the Trustee during the previous reporting period, please see the link to the Quarterly Progress Report for the Fourth Quarter of 2022 (ECF 1204), available in Section VIII.

Consistent with Paragraph 25(b) of the Statement of Work, this Section II of the 1Q23 Progress Report provides the following information concerning Work related to Beneficial Environmental Projects: (i) a summary of actions taken toward achieving compliance with the Consent Decree; and (ii) a description of all activities relating to Beneficial Environmental Projects that are scheduled for the next four months.

A. Actions Taken Toward Achieving Consent Decree Compliance

The Project Trust is responsible for overseeing, funding, and implementing Beneficial Environmental Projects, which may also be Restoration Projects. The Consent Decree sets out general decision-making procedures for selecting Beneficial Environmental Projects. Under Paragraph 32 of the Consent Decree, the Trustee is responsible for recommending Beneficial Environmental Projects for funding and implementation to the Beneficiaries for comment or objection. Additionally, each of the Beneficiaries may propose Beneficial Environmental Projects to the Trustee.

The Consent Decree describes several factors that the Trustee must consider when determining what projects to recommend and fund as Beneficial Environmental Projects, which include: (i) whether the project was recommended by a Beneficiary; (ii) the requirements of Paragraph 13 of the Consent Decree; and (iii) the funding schedule set forth in Paragraph 32(b) of the Consent Decree. The Trustee may also consider other factors. To efficiently administer Trust funds and to assist the Trustee in recommending projects that are likely to have the most tangible environmental or public benefits, the Trustee intends to develop processes and protocols for selecting, funding, and implementing Beneficial Environmental Projects consistent with the requirements of the Consent Decree, including the development of objective criteria for evaluating proposed projects.

During the Reporting Period, the Trustee began to develop such processes and protocols. In connection with these efforts, on February 14, 2023, the Trustee submitted to the Beneficiaries a draft Framework for Funding Beneficial Environmental Projects (BEPs) (the Draft BEP Framework), which outlined a proposed process for soliciting stakeholder proposals for BEPs and objective criteria to be used for evaluating proposed projects. On March 22, 2023, the Trustee and the Beneficiaries met to discuss the Draft BEP Framework, among other matters. On March 23, 2023, after receiving initial feedback from the Beneficiaries concerning the Draft BEP Framework, the Trustee requested written comments on the Draft BEP Framework and clarification regarding various related Consent Decree provisions.

B. Work Planned for the Period from April 1, 2023, through July 31, 2023

During the period from April 1, 2023, through July 31, 2023, the Trustee expects to respond to Beneficiary comments on the Draft BEP Framework and continue efforts to finalize the BEP Framework, including identifying and engaging a consultant to

assist the Trustee with further developing objective criteria for evaluating Beneficial Environmental Projects. The Trustee also expects to engage in informal discussions with stakeholders concerning potential Beneficial Environmental Projects.

III. Milestone Work Schedule

In future Quarterly Progress Reports, after commencement of the process for selecting, funding, and implementing Beneficial Environmental Projects, Section III will present a Milestone Work Schedule summarizing key activities and estimated timeframes for Work anticipated during the five-year period, starting with the relevant reporting period. Key submittals and specific Work completion targets for Beneficial Environmental Projects that have been selected will also be included in the Milestone Work Schedule, as appropriate.

IV. Community Involvement Plan

In future Quarterly Progress Reports, after commencement of the process for selecting, funding, and implementing Beneficial Environmental Projects, Section IV will present a description of activities undertaken by the Project Trust or the Trustee in support of the Community Involvement Plan during the Reporting Period and a description of those activities planned in the proceeding four months. During the Reporting Period, all actions undertaken to achieve compliance with Consent Decree requirements concerning community involvement have been performed by the Remediation Trust or the Trustee for the Remediation Trust. These activities are described in the Quarterly Progress Report for the First Quarter of 2023 prepared and filed by the Trustee for the Remediation Trust.

V. Updates to Project Database

Paragraph 26 of the Statement of Work requires the Trustee to “maintain a project database containing all data generated by the Trustee and its contractors necessary to complete the required Work...” The database must include all Site data provided by the Beneficiaries, and the Trustee must provide the Beneficiaries with access to the project database. Paragraph 25(b)(viii) of the Statement of Work requires the Quarterly Progress Report to include a summary of updates to the form, location, or management of the project database. During the reporting period, all actions to achieve compliance with Consent Decree requirements related to the project database have been undertaken by the Trustee for the Remediation Trust. These activities are described in the Quarterly Progress Report for the First Quarter of 2023 prepared and filed by the Trustee for the Remediation Trust.

VI. Administrative Activities

Section VI of the 1Q23 Progress Report describes activities undertaken by the Project Trust associated with administration or management of the Project Trust, including taxes, investment, and safekeeping of assets, insurance, and financial affairs. Section VI also covers administrative activities the Project Trust expects to undertake during the period from April 1, 2023, to July 31, 2023. All costs related to the administrative activities described in this Section are paid from the Administrative Account for the Project Trust.

A. Actions Taken to Achieve Compliance with the Consent Decree and Fulfill Administrative Duties During the Reporting Period

1. Communications with the Beneficiaries

a) Beneficiary Meetings

During the Reporting Period, the Project Trust participated in two meetings with representatives for the Beneficiaries (by videoconference). The purposes of these meetings included: (i) discussing Advisory Committee representatives, agenda, and schedule; (ii) discussing the Draft BEP Framework; and (iii) consulting on a variety of matters including Consent Decree interpretation. A list of these meetings with the Beneficiaries, including a brief description of each event's purpose or subject matter, is included in Table 6-1.

b) Written Beneficiary Communications

Paragraph 27 of the Statement of Work requires the Trustee to submit draft and final copies of Deliverables to the Beneficiaries as required by the Consent Decree and the Statement of Work. The Consent Decree and the Statement of Work include additional specific requirements concerning the submission of various notices and other documents to the Beneficiaries. In compliance with these requirements, during the Reporting Period the Trustee submitted various required notices and other documents to the Beneficiaries by electronic mail. This included submissions and consultations to provide opportunity for Beneficiary comment or objection within the prescribed timeframes set out in the Consent Decree, the Project Trust Agreement, and the Statement of Work. A list of all such notifications, consultations, and submittals to the Beneficiaries during the Reporting Period is included in Table 6-2. The Project Trust has also provided information and progress updates and sought feedback from the Beneficiaries on a host of other matters during the Reporting Period.

c) Tables 6-1 and 6-2

Table 6-1 (below) lists the Trustee's meetings with the Beneficiaries, including a brief description of the purpose or subject matter of each meeting.

Table 6-1 Beneficiary Meetings during the Reporting Period	
Date	Purpose of Meeting
February 16, 2023	Discuss Advisory Committee representatives, agenda, and schedule.
March 22, 2023	Discuss Beneficiary comments concerning Draft BEP Framework and Consent Decree interpretation.

Table 6-2 (below) sets out the Trustee's notifications and consultations provided to the Beneficiaries during the Reporting Period.

Table 6-2 - Beneficiary Notification, Consultation, or Submittal During Reporting Period	
Date	Brief Description and Reference to Consent Decree Requirement
January 16, 2023	Response to Beneficiary Comments Concerning Jan. 8, 2023, Notice of Proposed Information and Materials for Public Dissemination (CD ¶ 41; TA §§ 4.2, 4.3; SOW ¶ 23)
January 16, 2023	Notice and Opportunity for Comment or Objection Concerning Trustee's Proposed Retention of Information Technology Consultant (CD ¶ 39; TA § 4.4)
January 25, 2023	Proposed Final 2023 Annual Budgets, Work Plans, and Cash Flow Projections (CD ¶ 34; TA § 2.4.2)
January 29, 2023	Confirmation of Receipt of Surety from Mallinckrodt
January 30, 2023	Response to Beneficiary Comments Concerning Invoices with 2Q22 and 3Q22 Trustee Fees and Expenses (TA § 3.2.4)
February 9, 2023	Final 2023 Annual Budgets, Work Plans, and Cash Flow Projections (CD ¶ 34; TA § 2.4.2)
February 14, 2023	Request for Beneficiary Comment on Draft Framework for Funding Beneficial Environmental Projects
March 23, 2023	Request for Clarification by Beneficiaries of Consent Decree Provisions Related to Beneficial Environmental Projects and Comments on Draft Framework for Funding Beneficial Environmental Projects
March 31, 2023	Quarterly Progress Report for the Fourth Quarter of 2022 (CD ¶ 28; SOW ¶ 25; TA § 6.1)

2. Financial Affairs

The Project Trust has taken the following actions related to management of its financial affairs to achieve compliance with the Consent Decree during the Reporting Period.

a) Investments

Project Trust funds remain invested in accordance with the investment parameters set forth in Section 2.5.1 of the Project Trust Agreement. During the Reporting Period, the Trustee continued steps to update the investment allocation.

b) Banking

In accordance with Section 3.4 of the Project Trust Agreement, the Project Trust continued to retain a local bank in Maine to provide checking (i.e., working) account services to support disbursement of operational expenses.

c) Annual Budgets, Work Plans, and Cash Flow Projections

On January 25, 2023, the Trustee submitted the Proposed Final 2023 Annual Budgets, Work Plans, and Cash Flow Projections for Beneficiary review, including responses to Beneficiary comments received on the Draft 2023 Annual Budgets, Work Plans, and Cash Flow Projections, pursuant to Paragraph 34(b) of the Consent Decree. The Final 2023 Annual Budgets, Work Plans, and Cash Flow Projections were submitted to the Beneficiaries on February 9, 2023, pursuant to Paragraph 34(c) of the Consent Decree.

d) Tax Reporting

Consistent with Section 6.3 of the Project Trust Agreement, the Trustee has taken all reasonable actions necessary to ensure that the Project Trust qualifies as an environmental remediation trust as described in Treasury Regulation Section 301.7701-4(e) and a “grantor trust” within the meaning of Sections 671 through 679 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes, with Mallinckrodt treated as the owner of the Project Trust and Trust Assets for federal tax purposes, including by filing required documents with the Internal Revenue Service.

e) Trustee Invoices

In accordance with Section 3.2.4 of the Project Trust Agreement, on February 21, 2023, the Trustee submitted to the Beneficiaries for comment and objection an invoice detailing its fees and expenses for the fourth quarter of 2022.

f) Third Party Auditor

On March 7, 2023, in response to an inquiry from the Beneficiaries, the Trustee confirmed it had no prior association or relationship with candidates being considered for the independent third-party auditor and audit required by the Consent Decree and Project Trust Agreement.

g) Recordkeeping and Financial Controls

In accordance with Paragraph 36 of the Consent Decree, the Trustee maintains proper books, records, and accounts relating to the Project Trust. In addition, consistent with its fiduciary duties, the Trustee established a comprehensive, fully integrated financial and project controls system designed to safeguard funds dedicated to the protection of human health and the environment, ensure compliance with the requirements of the Consent Decree, and provide timely, meaningful financial information to the Beneficiaries. By employing a broad range of internal and third-party controls, the Trustee has established efficient, cost-effective, consistent protocols that, among other things: (i) clearly define roles, responsibilities and authorities; (ii) ensure accuracy of financial, technical and legal information; and (iii) provide multiple points of independent verification and validation of financial matters, as further described in the Quarterly Progress Report for the Fourth Quarter of 2022 prepared and submitted by the Trustee of the Remediation Trust.

h) Financial Assurance

Paragraph 20 of the Consent Decree requires Mallinckrodt to secure a surety bond in the amount of \$65 million for the benefit of the Project Trust³ that substantially conforms to the form of surety bond set out in Appendix D to the Consent Decree. Pursuant to Paragraph 20(b), Mallinckrodt submitted the surety bond (as executed by the surety company), effective December 11, 2022 (within sixty days after the Effective Date of the Consent Decree), which was received by the Project Trust on January 25, 2023. The Trustee acknowledged receipt of the surety bond by written notice to the Beneficiaries on January 29, 2023. During 1Q23, the Trustee continued to diligently monitor the adequacy of the financial assurance (including the surety bond and the surety company that issued the bond), as required by Paragraph 20(d) of the Consent Decree.

³ The surety bond must be posted for the benefit of the Project Trust and the Remediation Trust.

3. Records and Data Management

The Trustee implemented records management protocols and identified the preferred records management repositories (for working and permanent files) during 1Q23.

A. Administrative Activity Plans for the Period from April 1, 2023, through July 31, 2023

1. Communications with the Beneficiaries

The Trustee will submit to the Beneficiaries for review and comment a revised BEP Framework. The Trustee also plans to continue to participate in meetings with the Beneficiaries, provide written notices and submissions to the Beneficiaries as required by the Consent Decree, the Statement of Work, and the Project Trust Agreement, and consult with the Beneficiaries as needed to carry out its responsibilities. The Trustee will also prepare and file the Quarterly Progress Report for the Second Quarter of 2023.

2. Financial Affairs

a) Investments

During the period from April 1, 2023, to July 31, 2023, the Trustee expects to prepare a notice to the Beneficiaries concerning updates to the investment allocation.

b) Banking

During the period from April 1, 2023, to July 31, 2023, the Trustee plans to continue its banking relationship with the local bank in Maine.

c) Budgets

During the period from April 1, 2023, to July 31, 2023, the Trustee expects to submit to the Beneficiaries for comment or objection revised 2023 Annual Budgets, Work Plans, and Cash Flow Projections.

d) Financial and Project Controls

The Project Trust will maintain comprehensive financial and project controls to fulfill its fiduciary duties to the Beneficiaries.

e) Third Party Auditor

The Trustee will continue to respond to requests for information from the Beneficiaries relating to the selection and engagement of the independent third-party auditor and audit required by the Consent Decree and Project Trust Agreement.

3. Records and Data Management

The Trustee will maintain the comprehensive online storage and records management system for permanent and working files.

VII. Financial Statements

As required under Paragraph 25(b)(ix) of the Statement of Work, financial statements of the Trust and Trust Accounts for the Reporting Period are set forth on the following pages.

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Accountant's Compilation Report

To the Trustees and Beneficiaries
Greenfield Penobscot Estuary Project Trust LLC
Trustee of the Penobscot Estuary Beneficial Environmental Projects Trust

The Trustees are responsible for the accompanying special purpose financial statements of the Penobscot Estuary Beneficial Environmental Projects Trust, which comprise the statements of net trust assets as of March 31, 2023 and December 31, 2022, and the related statements of changes in net trust assets for the three months ended March 31, 2023 and the year ended December 31, 2022 and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶ 38 of the Consent Decree approved and entered by the U.S. District Court for the District of Maine (*Maine Peoples Alliance and NRDC v. Holtrachem Manufacturing Company, LLC*, et al., No. 1:00-cv-00069-JAW (D. Maine)), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in special purpose financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the special purpose financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net assets, additions, and deductions. Accordingly, the special purpose financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Trust Administrative Account, the Trust Remediation Account (General), and the Trust Remediation Account for Beneficial Environmental Projects Supplemental Statements of Net Trust Assets, Supplemental Statements of Changes in Net Trust Assets, Supplemental Schedule of Detail Changes in Net Trust Asset and Budget to Actual information are presented for purposes of additional analysis and are not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Greenfield Penobscot Estuary Project Trust LLC.

Wipfli LLP

Wipfli LLP
June 22, 2023

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Statement of Net Trust Assets
As of March 31, 2023

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Assets					
Cash	\$ 16,178.62	\$ 11,793.62	\$ 4,385.00	\$ -	\$ 4,385.00
Investments, money market funds	5,187,619.03	326,620.53	4,860,998.50	-	4,860,998.50
Total Assets	<u>\$ 5,203,797.65</u>	<u>\$ 338,414.15</u>	<u>\$ 4,865,383.50</u>	<u>\$ -</u>	<u>\$ 4,865,383.50</u>
Liabilities					
Accounts Payable	\$ 55,776.95	\$ 55,776.95	\$ -	\$ -	\$ -
Due to Remediation Trust	115.27	115.27	-	-	-
Total Liabilities	<u>55,892.22</u>	<u>55,892.22</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Trust Assets	<u>5,147,905.43</u>	<u>282,521.93</u>	<u>4,865,383.50</u>	<u>-</u>	<u>4,865,383.50</u>
Total Liabilities & Net Trust Assets	<u>\$ 5,203,797.65</u>	<u>\$ 338,414.15</u>	<u>\$ 4,865,383.50</u>	<u>\$ -</u>	<u>\$ 4,865,383.50</u>

Statement of Changes in Net Trust Assets
For the Three Months Ended March 31, 2023

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Total Deductions from Net Trust Assets	\$ (51,059.82)	\$ (51,059.82)	\$ -	\$ -	\$ -
Total Additions to Net Trust Assets	54,864.30	1,088.21	53,776.09	-	53,776.09
Change in Net Trust Assets	<u>3,804.48</u>	<u>(49,971.61)</u>	<u>53,776.09</u>	<u>-</u>	<u>53,776.09</u>
Net Trust Assets, Beginning	5,144,100.95	332,493.54	4,811,607.41	-	4,811,607.41
Funding	-	-	-	-	-
Net Trust Assets, Ending	<u>\$ 5,147,905.43</u>	<u>\$ 282,521.93</u>	<u>\$ 4,865,383.50</u>	<u>\$ -</u>	<u>\$ 4,865,383.50</u>

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Statement of Net Trust Assets
As of December 31, 2022

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Assets					
Cash	\$ 24,201.94	\$ 19,816.94	\$ 4,385.00	\$ -	\$ 4,385.00
Investments, money market funds	5,132,754.73	25,532.32	5,107,222.41	4,650,000.00	457,222.41
Total Assets	\$ 5,156,956.67	\$ 45,349.26	\$ 5,111,607.41	\$ 4,650,000.00	\$ 461,607.41
Liabilities					
Accounts Payable	\$ 10,804.62	\$ 10,804.62	\$ -	\$ -	\$ -
Due to Remediation Trust	2,051.10	2,051.10	-	-	-
Due to (from) Inter-Trust Accounts ¹	-	(300,000.00)	300,000.00	4,650,000.00	(4,350,000.00)
Total Liabilities	12,855.72	(287,144.28)	300,000.00	4,650,000.00	(4,350,000.00)
Net Trust Assets	5,144,100.95	332,493.54	4,811,607.41	-	4,811,607.41
Total Liabilities & Net Trust Assets	\$ 5,156,956.67	\$ 45,349.26	\$ 5,111,607.41	\$ 4,650,000.00	\$ 461,607.41

Statement of Changes in Net Trust Assets
For the Year Ended December 31, 2022

	Project Trust Total	Trust Administrative Account	Trust Remediation Account		
			Total Trust Remediation Account	Trust Remediation Account (General)	Trust Remediation Account for Beneficial Environmental Projects
Total Deductions from Net Trust Assets	\$ (14,161.62)	\$ (14,161.62)	\$ -	\$ -	\$ -
Total Additions to Net Trust Assets	12,043.50	514.22	11,529.28	-	11,529.28
Change in Net Trust Assets	(2,118.12)	(13,647.40)	11,529.28	-	11,529.28
Net Trust Assets, Beginning	496,219.07	46,140.94	450,078.13	-	450,078.13
Funding	4,650,000.00	300,000.00	4,350,000.00	-	4,350,000.00
Net Trust Assets, Ending	\$ 5,144,100.95	\$ 332,493.54	\$ 4,811,607.41	\$ -	\$ 4,811,607.41

¹Pursuant to ¶ 19(c) of the Consent Decree, required 2022 funding in the amount of \$15,000,000 was received from Mallinckrodt in December 2022. Of the total \$15,000,000 received, the portion allocated to the Project Trust in the amount of \$4,650,000 was deposited into the Trust Remediation Account (General). Funds were distributed to the Administrative Account and the Trust Remediation Account for Beneficial Environmental Projects after 2023 final budgets were issued. The remaining \$10,350,000 was allocated to the Penobscot Estuary Mercury Remediation Trust.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Administrative Account
Supplemental Statements of Net Trust Assets
As of March 31, 2023 and December 31, 2022

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash	\$ 11,793.62	\$ 19,816.94
Due from Trust Remediation Account (General) ¹	-	300,000.00
Investments, money market funds	326,620.53	25,532.32
Total Assets	<u>\$ 338,414.15</u>	<u>\$ 345,349.26</u>
Liabilities		
Accounts Payable	\$ 55,776.95	\$ 10,804.62
Due to Remediation Trust	115.27	2,051.10
Total Liabilities	<u>55,892.22</u>	<u>12,855.72</u>
Net Trust Assets, Administrative	<u>282,521.93</u>	<u>332,493.54</u>
Total Liabilities & Net Trust Assets	<u>\$ 338,414.15</u>	<u>\$ 345,349.26</u>

Supplemental Statements of Changes in Net Trust Assets
For the Three Months Ended March 31, 2023 and the Year Ended December 31, 2022

	<u>Three Months Ended March 31, 2023</u>	<u>Year Ended December 31, 2022</u>
Total Deductions from Net Trust Assets	\$ (51,059.82)	\$ (14,161.62)
Total Additions to Net Trust Assets	1,088.21	514.22
Change in Net Trust Assets	<u>(49,971.61)</u>	<u>(13,647.40)</u>
Net Trust Assets, Administrative Beginning	332,493.54	46,140.94
Funding	-	300,000.00
Net Trust Assets, Administrative Ending	<u>\$ 282,521.93</u>	<u>\$ 332,493.54</u>

¹Pursuant to ¶ 19(c) of the Consent Decree, 2022 funding was received from Mallinckrodt in December 2022. The required 2022 funding for the Trust Administrative Account, in the amount of \$300,000, was deposited into the Trust Remediation Account (General) and transferred into the Administrative Account after 2023 final budgets were issued.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Administrative Account
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Three Months Ended March 31, 2023

	Three Months Ended March 31, 2023	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
1.A · Trust Management and Beneficiary Communications	\$ 39,324.35	\$ 173,000.00	\$ (133,675.65)	22.7%
1.B · Financial Affairs	11,620.20	61,000.00	(49,379.80)	19.1%
1.C · General Contracting and Procurement	-	-	-	0.0%
1.D · Insurance	-	2,000.00	(2,000.00)	0.0%
1.E · Records and Data Management	115.27	5,000.00	(4,884.73)	2.3%
Total Deductions from Net Trust Assets	<u>51,059.82</u>	<u>241,000.00</u>	<u>(189,940.18)</u>	<u>21.2%</u>
Additions to Net Trust Assets:				
Investment Income, net of expenses	1,088.21	-	1,088.21	
Total Additions to Net Trust Assets	<u>1,088.21</u>	<u>-</u>	<u>1,088.21</u>	
Change in Net Trust Assets	<u>(49,971.61)</u>	<u>\$ (241,000.00)</u>	<u>\$ 191,028.39</u>	
Net Trust Assets, Administrative Beginning	332,493.54			
Funding	-			
Net Trust Assets, Administrative Ending	<u>\$ 282,521.93</u>			

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

	Year Ended December 31, 2022	Revised Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
1.A · Trust Management and Beneficiary Communications	\$ 1,492.40	\$ 8,100.00	\$ (6,607.60)	18.4%
1.B · Financial Affairs	9,419.12	12,400.00	(2,980.88)	76.0%
1.C · General Contracting and Procurement	-	-	-	0.0%
1.D · Insurance	2,166.10	3,100.00	(933.90)	69.9%
1.E · Records and Data Management	-	-	-	0.0%
1.F · Pre-Effective Date Setup Activities	1,084.00	1,200.00	(116.00)	90.3%
Total Deductions from Net Trust Assets	<u>14,161.62</u>	<u>24,800.00</u>	<u>(10,638.38)</u>	<u>57.1%</u>
Additions to Net Trust Assets:				
Investment Income, net of expenses	514.22	-	514.22	
Total Additions to Net Trust Assets	<u>514.22</u>	<u>-</u>	<u>514.22</u>	
Change in Net Trust Assets	<u>(13,647.40)</u>	<u>\$ (24,800.00)</u>	<u>\$ 11,152.60</u>	
Net Trust Assets, Administrative Beginning	46,140.94			
Funding	300,000.00			
Net Trust Assets, Administrative Ending	<u>\$ 332,493.54</u>			

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account (General)
Supplemental Statements of Net Trust Assets
As of March 31, 2023 and December 31, 2022

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash	\$ -	\$ -
Investments, money market funds	-	4,650,000.00
Total Assets	<u>\$ -</u>	<u>\$ 4,650,000.00</u>
Liabilities		
Accounts Payable	\$ -	\$ -
Due to (from) Inter-Trust Accounts ¹	-	4,650,000.00
Total Liabilities	-	4,650,000.00
Net Trust Assets, Remediation (General)	-	-
Total Liabilities & Net Trust Assets	<u>\$ -</u>	<u>\$ 4,650,000.00</u>

Supplemental Statements of Changes in Net Trust Assets
For the Three Months Ended March 31, 2023 and the Year Ended December 31, 2022

	<u>Three Months Ended March 31, 2023</u>	<u>Year Ended December 31, 2022</u>
Total Deductions from Net Trust Assets	\$ -	\$ -
Total Additions to Net Trust Assets	-	-
Change in Net Trust Assets	-	-
Net Trust Assets, Remediation (General) Beginning	-	-
Funding	-	-
Net Trust Assets, Remediation (General) Ending	<u>\$ -</u>	<u>\$ -</u>

¹Pursuant to ¶ 19(c) of the Consent Decree, required 2022 funding in the amount of \$15,000,000 was received from Mallinckrodt in December 2022. Of the total \$15,000,000 received, the portion allocated to the Project Trust in the amount of \$4,650,000 was deposited into the Trust Remediation Account (General). Funds were distributed to the Administrative Account and the Trust Remediation Account for Beneficial Environmental Projects after the 2023 final budgets were issued. The remaining \$10,350,000 was allocated to the Penobscot Estuary Mercury Remediation Trust.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account (General)
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Three Months Ended March 31, 2023

	Three Months Ended March 31, 2023	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
A - Planning, Investigation, and Studies	\$ -	\$ -	\$ -	0.0%
B - Design, Construction, and Implementation	-	-	-	0.0%
C - Community Involvement	-	-	-	0.0%
D - Database and Records Management	-	-	-	0.0%
E - Permitting and Regulatory Coordination	-	-	-	0.0%
F - Trustee Technical, Contract, and Project Management	-	-	-	0.0%
H - Access and Property Management	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	-	0.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	-	-	-	
Total Additions to Net Trust Assets	-	-	-	
Change in Net Trust Assets	-	\$ -	\$ -	
Net Trust Assets, Remediation (General) Beginning	-			
Funding	-			
Net Trust Assets, Remediation (General) Ending	\$ -			

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

	Year Ended December 31, 2022	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
A - Planning, Investigation, and Studies	\$ -	\$ -	\$ -	0.0%
B - Design, Construction, and Implementation	-	-	-	0.0%
C - Community Involvement	-	-	-	0.0%
D - Database and Records Management	-	-	-	0.0%
E - Permitting and Regulatory Coordination	-	-	-	0.0%
F - Trustee Technical, Contract, and Project Management	-	-	-	0.0%
H - Access and Property Management	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	-	0.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	-	-	-	
Total Additions to Net Trust Assets	-	-	-	
Change in Net Trust Assets	-	\$ -	\$ -	
Net Trust Assets, Remediation (General) Beginning	-			
Funding	-			
Net Trust Assets, Remediation (General) Ending	\$ -			

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account for Beneficial Environmental Projects
Supplemental Statements of Net Trust Assets
As of March 31, 2023 and December 31, 2022

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash	\$ 4,385.00	\$ 4,385.00
Due from Trust Remediation Account (General) ¹	-	4,350,000.00
Investments, money market funds	4,860,998.50	457,222.41
Total Assets	<u>\$ 4,865,383.50</u>	<u>\$ 4,811,607.41</u>
Liabilities		
Accounts Payable	\$ -	\$ -
Due to (from) Inter-Trust Accounts	-	-
Total Liabilities	-	-
Net Trust Assets, Remediation Account for Beneficial Environmental Projects	4,865,383.50	4,811,607.41
Total Liabilities & Net Trust Assets	<u>\$ 4,865,383.50</u>	<u>\$ 4,811,607.41</u>

Supplemental Statements of Changes in Net Trust Assets
For the Three Months Ended March 31, 2023 and the Year Ended December 31, 2022

	<u>Three Months Ended March 31, 2023</u>	<u>Year Ended December 31, 2022</u>
Total Deductions from Net Trust Assets	\$ -	\$ -
Total Additions to Net Trust Assets	53,776.09	11,529.28
Change in Net Trust Assets	<u>53,776.09</u>	<u>11,529.28</u>
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning	4,811,607.41	450,078.13
Funding	-	4,350,000.00
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending	<u>\$ 4,865,383.50</u>	<u>\$ 4,811,607.41</u>

¹Pursuant to ¶ 19(c) of the Consent Decree, 2022 funding was received from Mallinckrodt in December 2022. The required 2022 funding for the Trust Remediation Account for Beneficial Environmental Projects, in the amount of \$4,350,000, was deposited into the Trust Remediation Account (General) and transferred into the Trust Remediation Account for Beneficial Environmental Projects after 2023 final budgets were issued.

Penobscot Estuary Beneficial Environmental Projects Trust (Project Trust)
Trust Remediation Account for Beneficial Environmental Projects
Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Three Months Ended March 31, 2023

	Three Months Ended March 31, 2023	Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
2.A - Planning, Investigation, and Studies	\$ -	\$ -	\$ -	0.0%
2.B - Design, Construction, and Implementation	-	-	-	0.0%
2.C - Community Involvement	-	-	-	0.0%
2.D - Database and Records Management	-	-	-	0.0%
2.E - Permitting and Regulatory Coordination	-	-	-	0.0%
2.F - Trustee Technical, Contract, and Project Management	-	-	-	0.0%
2.H - Access and Property Management	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	-	-	0.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	53,776.09	-	53,776.09	
Total Additions to Net Trust Assets	53,776.09	-	53,776.09	
Change in Net Trust Assets	53,776.09	\$ -	\$ 53,776.09	
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning	4,811,607.41			
Funding	-			
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending	\$ 4,865,383.50			

Supplemental Schedule of Detail Changes in Net Trust Assets and Budget to Actual
For the Year Ended December 31, 2022

	Year Ended December 31, 2022	Revised Annual Budget	Variance	% of Budget
Deductions from Net Trust Assets:				
2.A - Planning, Investigation, and Studies	\$ -	\$ 5,500.00	\$ (5,500.00)	0.0%
2.B - Design, Construction, and Implementation	-	-	-	0.0%
2.C - Community Involvement	-	-	-	0.0%
2.D - Database and Records Management	-	-	-	0.0%
2.E - Permitting and Regulatory Coordination	-	-	-	0.0%
2.F - Trustee Technical, Contract, and Project Management	-	-	-	0.0%
2.H - Access and Property Management	-	-	-	0.0%
Total Deductions from Net Trust Assets	-	5,500.00	(5,500.00)	0.0%
Additions to Net Trust Assets:				
Investment Income, net of expenses	11,529.28	-	11,529.28	
Total Additions to Net Trust Assets	11,529.28	-	11,529.28	
Change in Net Trust Assets	11,529.28	\$ (5,500.00)	\$ 17,029.28	
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Beginning	450,078.13			
Funding	4,350,000.00			
Net Trust Assets, Remediation Account for Beneficial Environmental Projects Ending	\$ 4,811,607.41			

VIII. Appendix

Weblink to the Previous Quarterly Progress Report

The Quarterly Progress Report for the previous Reporting Period can be found at the following hyperlink:

Quarterly Progress Report for the Fourth Quarter of 2022