

RECORDATION NO. 7436-E Filed & Recorded

RECORDATION NO. 7436-B Filed & Recorded

MAR 1 1977 -9 30 AM

MAR 1 1977 -9 30 AM

INTERSTATE COMMERCE COMMISSION



United States Steel Corporation

INTERSTATE COMMERCE COMMISSION

W. E. LEWELLEN
VICE PRESIDENT-FINANCIAL SERVICES

600 GRANT STREET
PITTSBURGH, PENNSYLVANIA 15230

RECORDATION NO. 7436-F Filed & Recorded

March 1, 1977

MAR 1 1977 -9 30 AM

7-0604011

INTERSTATE COMMERCE COMMISSION

MAR 1 1977

Robert L. Oswald, Secretary
Interstate Commerce Commission
12th & Constitution Avenues, N.W.
Washington, DC 20423

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I.C.C.
FEE OPERATION BR.

RECORDATION NO. 7436-C Filed & Recorded

Dear Mr. Oswald:

MAR 1 1977 -9 30 AM

Please find enclosed herewith for filing in your office pursuant to Section 20(c) of the Interstate Commerce Act and Commission Regulations with respect thereto, a duly executed and acknowledged and two certified true copies of:

True copies of:

RECORDATION NO. 7436-D Filed & Recorded

RECORDATION NO. 7436-H Filed & Recorded

1. Amendment Number 1 to a Non-Recourse Purchase and Lease Agreement relating to surface railway rolling stock between Whitkath, Inc., a New York corporation, as the Lessor and the United States Steel Corporation, a Delaware corporation, as the Lessee whereby the Lessor will purchase certain surface railway rolling stock to be leased by the Lessee. The aforesaid Non-Recourse Purchase and Lease Agreement was recorded with the Interstate Commerce Commission at 9:35 a.m. on March 21, 1974 at Recordation Number 7436.

MAR 1 1977 -9 30 AM

MAR 1 1977 -9 30 AM

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

2. Amendment Number 1 to a Trust Indenture relating to surface railway rolling stock between Whitkath and First National City Bank (now Citibank, N.A.), a national banking association with corporate trust offices located in New York, New York, as trustee for The Prudential Insurance Company of America, The Travelers Insurance Company and Connecticut General Life Insurance Company, institutional investors who will finance a portion of the purchase price of such surface railway rolling stock by loans to Whitkath which will be secured by the Trust Indenture and evidenced by Whitkath's 8 1/8% non-recourse secured notes to such investors. With certain exceptions, all lease rental payments will be remitted directly to the Trustee to retire the notes of Whitkath. The aforesaid Trust Indenture was recorded with the Interstate Commerce Commission at 9:35 a.m. on March 21, 1974 at Recordation Number 7436-a.

Concurrence Andrew J. Cusack

3. Basic Lease Supplement 004 and Trust Indenture Supplement 004 relating to diesel locomotives covered by the aforementioned Lease and Trust Indenture.
4. Basic Lease Supplement 007 and Trust Indenture Supplement 007 relating to 31 hopper cars, a hiway rail dump truck and a tie tamper covered by the aforementioned Lease and Trust Indenture.

The surface railway rolling stock will be purchased and leased in connection with the development of the Cumberland Mine of the Lessee in Greene County, Pennsylvania and will be utilized to transport coal from such Mine to certain loading facilities of the Lessee on the Monongahela River near Alicia, Pennsylvania for further shipment through the Commonwealth of Pennsylvania and the State of Ohio to the Province of Ontario in Canada. Such surface railway rolling stock will include one diesel-electric, standard, railroad locomotive; thirty-one fast dumping 100-ton capacity hopper cars for unit train operation; gas or diesel powered mobile maintenance equipment; and replacement parts therein and surface railway rolling stock substituted therefor.

Lease rental payments are to be made to the Lessee by Ontario Hydro, a body corporate created and continued by Acts of the Province of Ontario, Canada, as a portion of the purchase price of coal to be recovered from the Lessee's Cumberland Mine. The Lessee has sold and assigned its rights to such lease rental payments to Whitkath in Section 13 of the lease. Whitkath, in turn, has, in the granting clauses of the Trust Indenture, granted a security interest in its rights to certain such lease rental payments and in all of the surface railway rolling stock as well as other rights of Whitkath under the Lease to the Trustee for the benefit of the aforesaid institutional investors. Accordingly, such assignments and security interests are contained in the documents recorded at Recordation Numbers 7436 and 7436-a as amended by the documents enclosed herewith for recordation and have not been embodied in separate instruments.

Neither Amendment Number 1 to the Lease nor Amendment Number 1 to the Trust Indenture enclosed herewith have previously been filed and recorded with the Commission.

The addresses of the parties herein identified are set forth in Schedule A hereto.

We would appreciate the original of both Amendment Number 1 to the Lease and Amendment Number 1 to the Trust Indenture being returned to the Trustee via the courier who will present the enclosed documents for filing and recordation.

Very truly yours,

By 

Vice President

7436-C
RECORDATION NO. FILE & SERIAL

AMENDMENT NUMBER 1

MAR 1 1977 - 9 30 AM

to the

INTERSTATE COMMERCE COMMISSION

Trust Indenture
Not Relating to Surface Railway Rolling Stock

and the

Trust Indenture
Relating to Surface Railway Rolling Stock

AMENDMENT NUMBER 1 dated as of March 1, 1977 to the Trust Indenture Not Relating to Surface Railway Rolling Stock and the Trust Indenture Relating to Surface Railway Rolling Stock, dated as of October 1, 1973, between Whitkath Inc., a New York corporation (the "Owner"), and Citibank, N.A. (formerly First National City Bank), a national banking association (the "Trustee") (collectively, the "Indenture").

WHEREAS, the parties to the Indenture desire to amend the Indenture in certain respects.

NOW, THEREFORE, the parties to the Indenture agree as follows:

Paragraph 1. Definitions. For purposes of this Amendment Number 1, unless specified herein or unless the context otherwise requires, terms used herein shall have the same meanings as set forth in the Indenture.

Paragraph 2. Amendment to the Granting Clauses.

The granting clauses are hereby amended, on page 1 in the second line from the bottom of paragraph (b), by deleting before the word "all" the word "and" and on page 1 in the last line of paragraph (b), by adding after the word "therefor" the following: ", and all Alteration Assets and Escalation Assets".

Paragraph 3. Amendments to Section 1. Section 1 is hereby amended:

(a) on page 3, by adding before the definition of "Authorized Lessee Representative" the following definition: "Alteration Asset: as defined in the Lease.";

(b) on page 3, in the definition of the "Coal Purchase Agreement", by adding after the word "hereof" the following: ", such definition includes all written amendments, modifications and supplements thereto";

(c) on page 3, by adding before the definition of "Events of Default" the following definition: "Escalation Asset: as defined in the Lease.";

(d) on page 4, by adding after the definition of "Hydro" the following definition: "Indenture: the two Trust Indentures, dated as of October 1,

1973, between the Owner and the Trustee, including all written amendments, modifications and supplements thereto.";

(e) on page 4, in the definition of the "Lease", by adding after the word "hereof" the following: ", such definition includes all written amendments, modifications and supplements thereto"; and

(f) on page 5, in the definition of the "Participation Agreement", by adding after the word "Trustee" the following: ", including all written amendments, modifications and supplements thereto."

Paragraph 4. Amendment to Section 2.1. Section 2.1 is hereby amended, on page 6 in the seventh line from the bottom of such Section, by adding after the word "Assets" the following:

"; provided that all Alteration Assets and Escalation Assets which have the same Loan Percentage, are subject to Basic Lease Supplements entered into on the same date and expiring on the same date and constitute portions of a particular group of Leased Assets that shall have previously been leased under a Basic Lease Supplement shall be deemed to be a separate group of Leased Assets and shall have a separate related series of Notes."

Paragraph 5. Amendment to Section 2.4. Section 2.4 is hereby amended, on page 7, by deleting such Section entirely and by adding in place thereof the following:

"2.4. Prepayment Upon Event of Loss. If an Event of Loss shall occur with respect to any Leased Asset, including any Leased Asset of which an Alteration Asset is a portion and/or to which an Escalation Asset relates, and the Stipulated Loss Value thereof becomes payable under the Lease, the Owner shall

(a) prepay that unpaid principal amount of the series of Notes relating to the group of Leased Assets which includes such Leased Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Leased Asset bears to the aggregate Owner's Cost of all Leased Assets in such group immediately prior to such occurrence, and

(b) prepay that unpaid principal amount of each series of Notes relating to each group of Alteration Assets or Escalation Assets which includes such Alteration Asset or Escalation Asset which bears the same proportion to the

aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Alteration Asset or Escalation Asset bears to the aggregate Owner's Cost of all Alteration Assets or Escalation Assets in such group immediately prior to such occurrence,

through the application of amounts received by the Trustee as a result of such Event of Loss, such prepayment to be made on the date on which such Stipulated Loss Value becomes payable, and to be made at 100% of the principal amount so prepaid."

Paragraph 6. Amendment to Section 2.5. Section 2.5 is hereby amended, on pages 7 and 8, by deleting such Section entirely, except for the introductory clause to the table and the table on page 8, and by adding in place thereof the following:

"2.5. Prepayment Upon Obsolescence. If the leasing of any Leased Asset, including any Leased Asset of which an Alteration Asset is a portion and/or to which an Escalation Asset relates, is terminated pursuant to Section 23 of the Lease (relating to Leased Assets becoming obsolete or surplus to the Lessee's requirements), and a sale thereof or payment with respect thereto is to be made under Section 23(c) of

the Lease on account of such termination, the Owner shall

(a) prepay that unpaid principal amount of the series of Notes relating to the group of Leased Assets which includes such Leased Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Leased Asset bears to the aggregate Owner's Cost of all Leased Assets in such group immediately prior to such occurrence, and

(b) prepay that unpaid principal amount of each series of Notes relating to each group of Alteration Assets or Escalation Assets which includes such Alteration Asset or Escalation Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Alteration Asset or Escalation Asset bears to the aggregate Owner's Cost of all Alteration Assets or Escalation Assets in such group immediately prior to such occurrence,

through the application of amounts received by the Trustee as a result of such termination, such pre-

payment to be made on the date on which such sale or payment is to be made under Section 23(c) of the Lease, and to be made at the following applicable percentage of the principal amount so prepaid:".

Paragraph 7. Amendment to Section 11.1. Section 11.1 is hereby amended, on page 15 in subparagraph (f) in the first line from the top of such page, by deleting the word "provided" and by adding in place thereof the following:

"provided that nothing in this Indenture shall be deemed to prohibit the transfer by the Owner of any of its assets to any Person to the extent that prohibitions thereof or requirements as to consent thereto are ineffective under mandatory provisions of law, provided further".

Paragraph 8. Amendment to Section 35. Section 35 is hereby amended, on page 30, by adding after Section 35.8 the following:

"35.9. Appointment of Separate Trustee or Co-Trustee. If at any time or times for the purpose of conforming to any legal requirements, restrictions or conditions in any applicable jurisdiction the Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interest of the holders of the Notes, or if the holders of a

majority in principal amount of the then outstanding Notes shall in writing reasonably request the Owner and the Trustee, the Trustee shall have power to appoint, and, upon the request of the Trustee, the Owner shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, another corporation or one or more persons approved by the Trustee either to act as separate trustee or trustees jointly with the Trustee or to act hereunder as co-trustee or co-trustees with the Trustee, with such power and authority and for such term as may be necessary or prudent for such purpose and as shall be specified in the instrument of appointment.

The Owner and the Trustee, at any time by an instrument executed by them jointly, may accept the resignation or may remove any separate trustee or co-trustee appointed under this Section, and, upon the request of the Trustee, the Owner shall, for such purpose, join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal. A successor to a sepa-

rate trustee or co-trustee so resigned or removed may be appointed in the manner provided in the first paragraph of this Section.

In the event that the Owner shall not have joined in any such action within 15 days after the receipt by it of a request so to do, the Trustee may act under the foregoing provisions of this Section without the concurrence of the Owner; and the Owner hereby fully empowers the Trustee so to act for it under the foregoing provisions of this Section in the event of any such contingencies.

The rights, powers, duties and obligations conferred or imposed upon the Trustee hereunder shall be conferred or imposed upon and exercised or performed by the Trustee, alone or jointly with such separate trustee or separate trustees or co-trustee or co-trustees, as may be provided in the supplemental indenture appointing such separate trustee or separate trustees or co-trustee or co-trustees, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Trustee in respect of the receipt, custody, investment and payment of monies, shall be exercised solely by

the Trustee, and all other rights, powers, duties and obligations conferred or imposed upon the Trustee may be conferred or imposed upon and exercised or performed by the Trustee and such additional trustee or trustees and separate trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees;

(ii) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such additional trustee or separate trustee shall be exercised hereunder by such additional trustee or separate trustee except jointly with, or with the consent of, the Trustee; and

(iii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder."

Paragraph 9. Amendment to Schedule II. Schedule II, entitled "Types of Property and Equipment Subject to the Indenture", is hereby amended as follows:

(a) in paragraph 1, by deleting the word "disposal" and by adding in place thereof the words "handling, maintenance and material and supply handling";

(b) in paragraph 3: in the second line, by adding at the end of that line the words "battery powered ram cars,"; and in the third line, by deleting the word "trace" and by adding in place thereof the word "track", by deleting the word "and" and by adding in place thereof a ",", and by adding after the word "jitneys" the following: ", main line conveyors, auxiliary fans, feeder breakers and shotcrete machines";

(c) in paragraph 4: in the first line, by adding after the word "station" the words ", discharge pipelines"; in the second line, by adding after the word "fans," the words "brake cars,"; and in the third line, by deleting the words "machine and" and by adding in place thereof the word "ma-

chinery," and by adding after the word "conveyors" the words "and fire protection facilities,";

(d) in paragraph 6, in the first line, by deleting the words "pulverizers, firing" and by adding in place thereof the word "combustion"; and

(e) in paragraph 7: in the first line, by deleting the words "12 ton" and by making the "m" in the next word a capital letter, and by deleting the words "54 ton locomotives, 20 ton" and by adding in place thereof the word "supply"; in the second and third lines, by deleting the words "600V DC circuit breakers, disconnect" and by adding in place thereof the word "distribution"; and in the last line, by adding after the word "facilities" the following:
", shop equipment, transfer bin, surface and slope mine track, refuse slurry and pressure filter facilities, and water tanks".

Paragraph 10. Amendment to Exhibit A. Exhibit A, the form of the Indenture Supplement, is hereby amended, in the second line, by adding after the word "to" the words "Citibank, N.A. (formerly" and by adding after the word "Bank" a ")")" and in the fifth line, by adding after "1973," the following: "as amended on or prior to the date hereof,".

Paragraph 11. Amendment to Exhibit B. Exhibit B, the form of the Whitkath Inc. 8 1/8% Non-Recourse Secured Note, is hereby amended, in the fifth line of the second full paragraph, by adding after the word "Stock" the following: ", as amended on or prior to the date hereof" and in the sixth line of the same paragraph, by adding after the word "to" the words "Citibank, N.A. (formerly" and by adding after the word "Bank" a ")".

Paragraph 12. Continuing Effect of the Indenture. Except as herein specifically amended, the terms of the Indenture are hereby ratified and confirmed as being in full force and effect.

Paragraph 13. Effectiveness and Enforceability. This Amendment Number 1 shall be effective and enforceable upon the execution and delivery hereof by the Owner and Trustee and upon the execution and delivery of the Consents and Instructions appended hereto.

Paragraph 14. Counterparts. This Amendment Number 1 may be executed by the parties hereto in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary to produce or account for more than

sufficient counterparts hereof to evidence execution by the parties hereto.

IN WITNESS WHEREOF, this Amendment Number 1 has been duly executed by the undersigned, hereunto duly authorized on March 1, 1977, but is deemed to be retroactively effective as of October 1, 1973.

WHITKATH INC.

(Seal)

By _____

CITIBANK, N.A.,
as Trustee

By _____

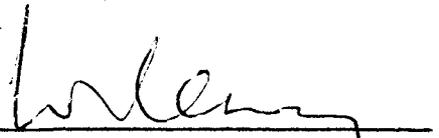
CONSENT

Pursuant to Section 17D of the Participation Agreement dated as of October 1, 1973 among Ontario Hydro (formerly The Hydro-Electric Power Commission of Ontario), United States Steel Corporation, Whitkath, Inc., the Loan Participants (as named therein) and Citibank, N.A. (formerly First National City Bank), as Trustee, the undersigned hereby consents to the execution and delivery of the above Amendment Number 1 to the Indenture.

This Consent has been duly executed by the undersigned, hereunto duly authorized on March 1, 1977, but is deemed to be retroactively effective as of October 1, 1973.

ONTARIO HYDRO

By



Secretary

CONSENT AND INSTRUCTION

Pursuant to Section 35.4 of the Trust Indenture Not Relating to Surface Railway Rolling Stock, dated as of October 1, 1973 (the "Indenture") between Whitkath Inc. and Citibank, N.A. (formerly First National City Bank) (the Trustee), the undersigned hereby consent to the execution and delivery of the above Amendment Number 1 and hereby instruct the Trustee to execute and deliver said Amendment Number 1.

This Consent and Instruction may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary to produce or account for more than sufficient counterparts hereof to evidence execution by the parties hereto.

This Consent and Instruction has been duly executed by the undersigned, hereunto duly authorized on _____, 1977, but is deemed to be retroactively effective as of October 1, 1973.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By _____

THE TRAVELERS INSURANCE COMPANY

By _____

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By _____

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On this 1st day of March, 1977, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of WHITKATH INC., a New York corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

My Commission expires

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On this 1st day of March, 1977, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of CITIBANK, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

My Commission expires

AMENDMENT NUMBER 1

to the

Trust Indenture
Not Relating to Surface Railway Rolling Stock

and the

Trust Indenture
Relating to Surface Railway Rolling Stock

AMENDMENT NUMBER 1 dated as of March 1, 1977 to the Trust Indenture Not Relating to Surface Railway Rolling Stock and the Trust Indenture Relating to Surface Railway Rolling Stock, dated as of October 1, 1973, between Whitkath Inc., a New York corporation (the "Owner"), and Citibank, N.A. (formerly First National City Bank), a national banking association (the "Trustee") (collectively, the "Indenture").

WHEREAS, the parties to the Indenture desire to amend the Indenture in certain respects.

NOW, THEREFORE, the parties to the Indenture agree as follows:

Paragraph 1. Definitions. For purposes of this Amendment Number 1, unless specified herein or unless the context otherwise requires, terms used herein shall have the same meanings as set forth in the Indenture.

Paragraph 2. Amendment to the Granting Clauses.

The granting clauses are hereby amended, on page 1 in the second line from the bottom of paragraph (b), by deleting before the word "all" the word "and" and on page 1 in the last line of paragraph (b), by adding after the word "therefor" the following: ", and all Alteration Assets and Escalation Assets".

Paragraph 3. Amendments to Section 1. Section 1 is hereby amended:

(a) on page 3, by adding before the definition of "Authorized Lessee Representative" the following definition: "Alteration Asset: as defined in the Lease.";

(b) on page 3, in the definition of the "Coal Purchase Agreement", by adding after the word "hereof" the following: ", such definition includes all written amendments, modifications and supplements thereto";

(c) on page 3, by adding before the definition of "Events of Default" the following definition: "Escalation Asset: as defined in the Lease.";

(d) on page 4, by adding after the definition of "Hydro" the following definition: "Indenture: the two Trust Indentures, dated as of October 1,

1973, between the Owner and the Trustee, including all written amendments, modifications and supplements thereto.";

(e) on page 4, in the definition of the "Lease", by adding after the word "hereof" the following: ", such definition includes all written amendments, modifications and supplements thereto"; and

(f) on page 5, in the definition of the "Participation Agreement", by adding after the word "Trustee" the following: ", including all written amendments, modifications and supplements thereto."

Paragraph 4. Amendment to Section 2.1. Section 2.1 is hereby amended, on page 6 in the seventh line from the bottom of such Section, by adding after the word "Assets" the following:

"; provided that all Alteration Assets and Escalation Assets which have the same Loan Percentage, are subject to Basic Lease Supplements entered into on the same date and expiring on the same date and constitute portions of a particular group of Leased Assets that shall have previously been leased under a Basic Lease Supplement shall be deemed to be a separate group of Leased Assets and shall have a separate related series of Notes."

Paragraph 5. Amendment to Section 2.4. Section 2.4 is hereby amended, on page 7, by deleting such Section entirely and by adding in place thereof the following:

"2.4. Prepayment Upon Event of Loss. If an Event of Loss shall occur with respect to any Leased Asset, including any Leased Asset of which an Alteration Asset is a portion and/or to which an Escalation Asset relates, and the Stipulated Loss Value thereof becomes payable under the Lease, the Owner shall

(a) prepay that unpaid principal amount of the series of Notes relating to the group of Leased Assets which includes such Leased Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Leased Asset bears to the aggregate Owner's Cost of all Leased Assets in such group immediately prior to such occurrence, and

(b) prepay that unpaid principal amount of each series of Notes relating to each group of Alteration Assets or Escalation Assets which includes such Alteration Asset or Escalation Asset which bears the same proportion to the

aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Alteration Asset or Escalation Asset bears to the aggregate Owner's Cost of all Alteration Assets or Escalation Assets in such group immediately prior to such occurrence,

through the application of amounts received by the Trustee as a result of such Event of Loss, such prepayment to be made on the date on which such Stipulated Loss Value becomes payable, and to be made at 100% of the principal amount so prepaid."

Paragraph 6. Amendment to Section 2.5. Section 2.5 is hereby amended, on pages 7 and 8, by deleting such Section entirely, except for the introductory clause to the table and the table on page 8, and by adding in place thereof the following:

"2.5. Prepayment Upon Obsolescence. If the leasing of any Leased Asset, including any Leased Asset of which an Alteration Asset is a portion and/or to which an Escalation Asset relates, is terminated pursuant to Section 23 of the Lease (relating to Leased Assets becoming obsolete or surplus to the Lessee's requirements), and a sale thereof or payment with respect thereto is to be made under Section 23(c) of

the Lease on account of such termination, the Owner shall

(a) prepay that unpaid principal amount of the series of Notes relating to the group of Leased Assets which includes such Leased Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Leased Asset bears to the aggregate Owner's Cost of all Leased Assets in such group immediately prior to such occurrence, and

(b) prepay that unpaid principal amount of each series of Notes relating to each group of Alteration Assets or Escalation Assets which includes such Alteration Asset or Escalation Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Alteration Asset or Escalation Asset bears to the aggregate Owner's Cost of all Alteration Assets or Escalation Assets in such group immediately prior to such occurrence,

through the application of amounts received by the Trustee as a result of such termination, such pre-

payment to be made on the date on which such sale or payment is to be made under Section 23(c) of the Lease, and to be made at the following applicable percentage of the principal amount so prepaid:".

Paragraph 7. Amendment to Section 11.1. Section 11.1 is hereby amended, on page 15 in subparagraph (f) in the first line from the top of such page, by deleting the word "provided" and by adding in place thereof the following:

"provided that nothing in this Indenture shall be deemed to prohibit the transfer by the Owner of any of its assets to any Person to the extent that prohibitions thereof or requirements as to consent thereto are ineffective under mandatory provisions of law, provided further".

Paragraph 8. Amendment to Section 35. Section 35 is hereby amended, on page 30, by adding after Section 35.8 the following:

"35.9. Appointment of Separate Trustee or Co-Trustee. If at any time or times for the purpose of conforming to any legal requirements, restrictions or conditions in any applicable jurisdiction the Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interest of the holders of the Notes, or if the holders of a

majority in principal amount of the then outstanding Notes shall in writing reasonably request the Owner and the Trustee, the Trustee shall have power to appoint, and, upon the request of the Trustee, the Owner shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, another corporation or one or more persons approved by the Trustee either to act as separate trustee or trustees jointly with the Trustee or to act hereunder as co-trustee or co-trustees with the Trustee, with such power and authority and for such term as may be necessary or prudent for such purpose and as shall be specified in the instrument of appointment.

The Owner and the Trustee, at any time by an instrument executed by them jointly, may accept the resignation or may remove any separate trustee or co-trustee appointed under this Section, and, upon the request of the Trustee, the Owner shall, for such purpose, join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal. A successor to a sepa-

rate trustee or co-trustee so resigned or removed may be appointed in the manner provided in the first paragraph of this Section.

In the event that the Owner shall not have joined in any such action within 15 days after the receipt by it of a request so to do, the Trustee may act under the foregoing provisions of this Section without the concurrence of the Owner; and the Owner hereby fully empowers the Trustee so to act for it under the foregoing provisions of this Section in the event of any such contingencies.

The rights, powers, duties and obligations conferred or imposed upon the Trustee hereunder shall be conferred or imposed upon and exercised or performed by the Trustee, alone or jointly with such separate trustee or separate trustees or co-trustee or co-trustees, as may be provided in the supplemental indenture appointing such separate trustee or separate trustees or co-trustee or co-trustees, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Trustee in respect of the receipt, custody, investment and payment of monies, shall be exercised solely by

the Trustee, and all other rights, powers, duties and obligations conferred or imposed upon the Trustee may be conferred or imposed upon and exercised or performed by the Trustee and such additional trustee or trustees and separate trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees;

(ii) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such additional trustee or separate trustee shall be exercised hereunder by such additional trustee or separate trustee except jointly with, or with the consent of, the Trustee; and

(iii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder."

Paragraph 9. Amendment to Schedule II. Schedule II, entitled "Types of Property and Equipment Subject to the Indenture", is hereby amended as follows:

(a) in paragraph 1, by deleting the word "disposal" and by adding in place thereof the words "handling, maintenance and material and supply handling";

(b) in paragraph 3: in the second line, by adding at the end of that line the words "battery powered ram cars,"; and in the third line, by deleting the word "trace" and by adding in place thereof the word "track", by deleting the word "and" and by adding in place thereof a ",", and by adding after the word "jitneys" the following: ", main line conveyors, auxiliary fans, feeder breakers and shotcrete machines";

(c) in paragraph 4: in the first line, by adding after the word "station" the words ", discharge pipelines"; in the second line, by adding after the word "fans," the words "brake cars,"; and in the third line, by deleting the words "machine and" and by adding in place thereof the word "ma-

chinery," and by adding after the word "conveyors" the words "and fire protection facilities,";

(d) in paragraph 6, in the first line, by deleting the words "pulverizers, firing" and by adding in place thereof the word "combustion"; and

(e) in paragraph 7: in the first line, by deleting the words "12 ton" and by making the "m" in the next word a capital letter, and by deleting the words "54 ton locomotives, 20 ton" and by adding in place thereof the word "supply"; in the second and third lines, by deleting the words "600V DC circuit breakers, disconnect" and by adding in place thereof the word "distribution"; and in the last line, by adding after the word "facilities" the following:
", shop equipment, transfer bin, surface and slope mine track, refuse slurry and pressure filter facilities, and water tanks".

Paragraph 10. Amendment to Exhibit A. Exhibit A, the form of the Indenture Supplement, is hereby amended, in the second line, by adding after the word "to" the words "Citibank, N.A. (formerly" and by adding after the word "Bank" a ")") and in the fifth line, by adding after "1973," the following: "as amended on or prior to the date hereof,".

Paragraph 11. Amendment to Exhibit B. Exhibit B, the form of the Whitkath Inc. 8 1/8% Non-Recourse Secured Note, is hereby amended, in the fifth line of the second full paragraph, by adding after the word "Stock" the following: ", as amended on or prior to the date hereof" and in the sixth line of the same paragraph, by adding after the word "to" the words "Citibank, N.A. (formerly" and by adding after the word "Bank" a ")".

Paragraph 12. Continuing Effect of the Indenture. Except as herein specifically amended, the terms of the Indenture are hereby ratified and confirmed as being in full force and effect.

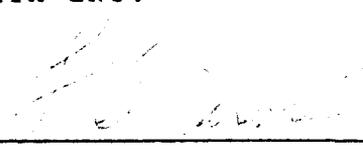
Paragraph 13. Effectiveness and Enforceability. This Amendment Number 1 shall be effective and enforceable upon the execution and delivery hereof by the Owner and Trustee and upon the execution and delivery of the Consents and Instructions appended hereto.

Paragraph 14. Counterparts. This Amendment Number 1 may be executed by the parties hereto in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary to produce or account for more than

sufficient counterparts hereof to evidence execution by the parties hereto.

IN WITNESS WHEREOF, this Amendment Number 1 has been duly executed by the undersigned, hereunto duly authorized on March 1, 1977, but is deemed to be retroactively effective as of October 1, 1973.

WHITKATH INC.

By 

(Seal)

CITIBANK, N.A.,
as Trustee

By 

CONSENT

Pursuant to Section 17D of the Participation Agreement dated as of October 1, 1973 among Ontario Hydro (formerly The Hydro-Electric Power Commission of Ontario), United States Steel Corporation, Whitkath, Inc., the Loan Participants (as named therein) and Citibank, N.A. (formerly First National City Bank), as Trustee, the undersigned hereby consents to the execution and delivery of the above Amendment Number 1 to the Indenture.

This Consent has been duly executed by the undersigned, hereunto duly authorized on _____, 1977, but is deemed to be retroactively effective as of October 1, 1973.

ONTARIO HYDRO

By _____

CONSENT AND INSTRUCTION

Pursuant to Section 35.4 of the Trust Indenture Not Relating to Surface Railway Rolling Stock, dated as of October 1, 1973 (the "Indenture") between Whitkath Inc. and Citibank, N.A. (formerly First National City Bank) (the Trustee), the undersigned hereby consent to the execution and delivery of the above Amendment Number 1 and hereby instruct the Trustee to execute and deliver said Amendment Number 1.

This Consent and Instruction may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary to produce or account for more than sufficient counterparts hereof to evidence execution by the parties hereto.

This Consent and Instruction has been duly executed by the undersigned, hereunto duly authorized on _____, 1977, but is deemed to be retroactively effective as of October 1, 1973.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By _____

THE TRAVELERS INSURANCE COMPANY

By _____

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By _____

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On this ^{28th} 1st day of ^{February} March, 1977, before me personally appeared F. A. JUBIZ, to me personally known, who being by me duly sworn, says that he is the ~~the President~~ of WHITKATH INC., a New York corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Christine C. Crowley

[Seal]

My Commission expires

CHRISTINE C. CROWLEY
NOTARY PUBLIC S.S.
No. 31-4207434
Qualified in New York County
Cert. filed in New York County
Term Expires March 30, 1977

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On this 1st day of March, 1977, before me personally appeared W. M. CRANE, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of CITIBANK, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen A. Fitzgerald

[Seal]

My Commission expires

KATHLEEN A. FITZGERALD
Notary Public, State of New York
No. 41-4319781
Qualified in Queens County
Cert. filed in New York County
Term Expires March 30, 1977

Signed

AMENDMENT NUMBER 1
to the
Trust Indenture
Not Relating to Surface Railway Rolling Stock
and the
Trust Indenture
Relating to Surface Railway Rolling Stock

AMENDMENT NUMBER 1 dated as of March 1, 1977 to the Trust Indenture Not Relating to Surface Railway Rolling Stock and the Trust Indenture Relating to Surface Railway Rolling Stock, dated as of October 1, 1973, between Whitkath Inc., a New York corporation (the "Owner"), and Citibank, N.A. (formerly First National City Bank), a national banking association (the "Trustee") (collectively, the "Indenture").

WHEREAS, the parties to the Indenture desire to amend the Indenture in certain respects.

NOW, THEREFORE, the parties to the Indenture agree as follows:

Paragraph 1. Definitions. For purposes of this Amendment Number 1, unless specified herein or unless the context otherwise requires, terms used herein shall have the same meanings as set forth in the Indenture.

Paragraph 2. Amendment to the Granting Clauses.

The granting clauses are hereby amended, on page 1 in the second line from the bottom of paragraph (b), by deleting before the word "all" the word "and" and on page 1 in the last line of paragraph (b), by adding after the word "therefor" the following: ", and all Alteration Assets and Escalation Assets".

Paragraph 3. Amendments to Section 1. Section 1 is hereby amended:

(a) on page 3, by adding before the definition of "Authorized Lessee Representative" the following definition: "Alteration Asset: as defined in the Lease.";

(b) on page 3, in the definition of the "Coal Purchase Agreement", by adding after the word "hereof" the following: ", such definition includes all written amendments, modifications and supplements thereto";

(c) on page 3, by adding before the definition of "Events of Default" the following definition: "Escalation Asset: as defined in the Lease.";

(d) on page 4, by adding after the definition of "Hydro" the following definition: "Indenture: the two Trust Indentures, dated as of October 1,

1973, between the Owner and the Trustee, including all written amendments, modifications and supplements thereto.";

(e) on page 4, in the definition of the "Lease", by adding after the word "hereof" the following: ", such definition includes all written amendments, modifications and supplements thereto"; and

(f) on page 5, in the definition of the "Participation Agreement", by adding after the word "Trustee" the following: ", including all written amendments, modifications and supplements thereto."

Paragraph 4. Amendment to Section 2.1. Section 2.1 is hereby amended, on page 6 in the seventh line from the bottom of such Section, by adding after the word "Assets" the following:

"; provided that all Alteration Assets and Escalation Assets which have the same Loan Percentage, are subject to Basic Lease Supplements entered into on the same date and expiring on the same date and constitute portions of a particular group of Leased Assets that shall have previously been leased under a Basic Lease Supplement shall be deemed to be a separate group of Leased Assets and shall have a separate related series of Notes."

Paragraph 5. Amendment to Section 2.4. Section 2.4 is hereby amended, on page 7, by deleting such Section entirely and by adding in place thereof the following:

"2.4. Prepayment Upon Event of Loss. If an Event of Loss shall occur with respect to any Leased Asset, including any Leased Asset of which an Alteration Asset is a portion and/or to which an Escalation Asset relates, and the Stipulated Loss Value thereof becomes payable under the Lease, the Owner shall

(a) prepay that unpaid principal amount of the series of Notes relating to the group of Leased Assets which includes such Leased Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Leased Asset bears to the aggregate Owner's Cost of all Leased Assets in such group immediately prior to such occurrence, and

(b) prepay that unpaid principal amount of each series of Notes relating to each group of Alteration Assets or Escalation Assets which includes such Alteration Asset or Escalation Asset which bears the same proportion to the

aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Alteration Asset or Escalation Asset bears to the aggregate Owner's Cost of all Alteration Assets or Escalation Assets in such group immediately prior to such occurrence,

through the application of amounts received by the Trustee as a result of such Event of Loss, such prepayment to be made on the date on which such Stipulated Loss Value becomes payable, and to be made at 100% of the principal amount so prepaid."

Paragraph 6. Amendment to Section 2.5. Section 2.5 is hereby amended, on pages 7 and 8, by deleting such Section entirely, except for the introductory clause to the table and the table on page 8, and by adding in place thereof the following:

"2.5. Prepayment Upon Obsolescence. If the leasing of any Leased Asset, including any Leased Asset of which an Alteration Asset is a portion and/or to which an Escalation Asset relates, is terminated pursuant to Section 23 of the Lease (relating to Leased Assets becoming obsolete or surplus to the Lessee's requirements), and a sale thereof or payment with respect thereto is to be made under Section 23(c) of

the Lease on account of such termination, the Owner shall

(a) prepay that unpaid principal amount of the series of Notes relating to the group of Leased Assets which includes such Leased Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Leased Asset bears to the aggregate Owner's Cost of all Leased Assets in such group immediately prior to such occurrence, and

(b) prepay that unpaid principal amount of each series of Notes relating to each group of Alteration Assets or Escalation Assets which includes such Alteration Asset or Escalation Asset which bears the same proportion to the aggregate unpaid principal amount of such series of Notes as the Owner's Cost of such Alteration Asset or Escalation Asset bears to the aggregate Owner's Cost of all Alteration Assets or Escalation Assets in such group immediately prior to such occurrence,

through the application of amounts received by the Trustee as a result of such termination, such pre-

payment to be made on the date on which such sale or payment is to be made under Section 23(c) of the Lease, and to be made at the following applicable percentage of the principal amount so prepaid:".

Paragraph 7. Amendment to Section 11.1. Section 11.1 is hereby amended, on page 15 in subparagraph (f) in the first line from the top of such page, by deleting the word "provided" and by adding in place thereof the following:

"provided that nothing in this Indenture shall be deemed to prohibit the transfer by the Owner of any of its assets to any Person to the extent that prohibitions thereof or requirements as to consent thereto are ineffective under mandatory provisions of law, provided further".

Paragraph 8. Amendment to Section 35. Section 35 is hereby amended, on page 30, by adding after Section 35.8 the following:

"35.9. Appointment of Separate Trustee or Co-Trustee. If at any time or times for the purpose of conforming to any legal requirements, restrictions or conditions in any applicable jurisdiction the Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interest of the holders of the Notes, or if the holders of a

majority in principal amount of the then outstanding Notes shall in writing reasonably request the Owner and the Trustee, the Trustee shall have power to appoint, and, upon the request of the Trustee, the Owner shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, another corporation or one or more persons approved by the Trustee either to act as separate trustee or trustees jointly with the Trustee or to act hereunder as co-trustee or co-trustees with the Trustee, with such power and authority and for such term as may be necessary or prudent for such purpose and as shall be specified in the instrument of appointment.

The Owner and the Trustee, at any time by an instrument executed by them jointly, may accept the resignation or may remove any separate trustee or co-trustee appointed under this Section, and, upon the request of the Trustee, the Owner shall, for such purpose, join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal. A successor to a sepa-

rate trustee or co-trustee so resigned or removed may be appointed in the manner provided in the first paragraph of this Section.

In the event that the Owner shall not have joined in any such action within 15 days after the receipt by it of a request so to do, the Trustee may act under the foregoing provisions of this Section without the concurrence of the Owner; and the Owner hereby fully empowers the Trustee so to act for it under the foregoing provisions of this Section in the event of any such contingencies.

The rights, powers, duties and obligations conferred or imposed upon the Trustee hereunder shall be conferred or imposed upon and exercised or performed by the Trustee, alone or jointly with such separate trustee or separate trustees or co-trustee or co-trustees, as may be provided in the supplemental indenture appointing such separate trustee or separate trustees or co-trustee or co-trustees, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Trustee in respect of the receipt, custody, investment and payment of monies, shall be exercised solely by

the Trustee, and all other rights, powers, duties and obligations conferred or imposed upon the Trustee may be conferred or imposed upon and exercised or performed by the Trustee and such additional trustee or trustees and separate trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees;

(ii) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such additional trustee or separate trustee shall be exercised hereunder by such additional trustee or separate trustee except jointly with, or with the consent of, the Trustee; and

(iii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder."

Paragraph 9. Amendment to Schedule II. Schedule II, entitled "Types of Property and Equipment Subject to the Indenture", is hereby amended as follows:

(a) in paragraph 1, by deleting the word "disposal" and by adding in place thereof the words "handling, maintenance and material and supply handling";

(b) in paragraph 3: in the second line, by adding at the end of that line the words "battery powered ram cars,"; and in the third line, by deleting the word "trace" and by adding in place thereof the word "track", by deleting the word "and" and by adding in place thereof a ",", and by adding after the word "jitneys" the following: ", main line conveyors, auxiliary fans, feeder breakers and shotcrete machines";

(c) in paragraph 4: in the first line, by adding after the word "station" the words ", discharge pipelines"; in the second line, by adding after the word "fans," the words "brake cars,"; and in the third line, by deleting the words "machine and" and by adding in place thereof the word "ma-

chinery," and by adding after the word "conveyors" the words "and fire protection facilities,";

(d) in paragraph 6, in the first line, by deleting the words "pulverizers, firing" and by adding in place thereof the word "combustion"; and

(e) in paragraph 7: in the first line, by deleting the words "12 ton" and by making the "m" in the next word a capital letter, and by deleting the words "54 ton locomotives, 20 ton" and by adding in place thereof the word "supply"; in the second and third lines, by deleting the words "600V DC circuit breakers, disconnect" and by adding in place thereof the word "distribution"; and in the last line, by adding after the word "facilities" the following:
", shop equipment, transfer bin, surface and slope mine track, refuse slurry and pressure filter facilities, and water tanks".

Paragraph 10. Amendment to Exhibit A. Exhibit A, the form of the Indenture Supplement, is hereby amended, in the second line, by adding after the word "to" the words "Citibank, N.A. (formerly" and by adding after the word "Bank" a ")" and in the fifth line, by adding after "1973," the following: "as amended on or prior to the date hereof,".

Paragraph 11. Amendment to Exhibit B. Exhibit B, the form of the Whitkath Inc. 8 1/8% Non-Recourse Secured Note, is hereby amended, in the fifth line of the second full paragraph, by adding after the word "Stock" the following: ", as amended on or prior to the date hereof" and in the sixth line of the same paragraph, by adding after the word "to" the words "Citibank, N.A. (formerly" and by adding after the word "Bank" a ")".

Paragraph 12. Continuing Effect of the Indenture. Except as herein specifically amended, the terms of the Indenture are hereby ratified and confirmed as being in full force and effect.

Paragraph 13. Effectiveness and Enforceability. This Amendment Number 1 shall be effective and enforceable upon the execution and delivery hereof by the Owner and Trustee and upon the execution and delivery of the Consents and Instructions appended hereto.

Paragraph 14. Counterparts. This Amendment Number 1 may be executed by the parties hereto in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary to produce or account for more than

sufficient counterparts hereof to evidence execution by the parties hereto.

IN WITNESS WHEREOF, this Amendment Number 1 has been duly executed by the undersigned, hereunto duly authorized on March 1, 1977, but is deemed to be retroactively effective as of October 1, 1973.

WHITKATH INC.

(Seal)

By _____

CITIBANK, N.A.,
as Trustee

By _____

CONSENT

Pursuant to Section 17D of the Participation Agreement dated as of October 1, 1973 among Ontario Hydro (formerly The Hydro-Electric Power Commission of Ontario), United States Steel Corporation, Whitkath, Inc., the Loan Participants (as named therein) and Citibank, N.A. (formerly First National City Bank), as Trustee, the undersigned hereby consents to the execution and delivery of the above Amendment Number 1 to the Indenture.

This Consent has been duly executed by the undersigned, hereunto duly authorized on _____, 1977, but is deemed to be retroactively effective as of October 1, 1973.

ONTARIO HYDRO

By _____

CONSENT AND INSTRUCTION

Pursuant to Section 35.4 of the Trust Indenture Not Relating to Surface Railway Rolling Stock, dated as of October 1, 1973 (the "Indenture") between Whitkath Inc. and Citibank, N.A. (formerly First National City Bank) (the Trustee), the undersigned hereby consent to the execution and delivery of the above Amendment Number 1 and hereby instruct the Trustee to execute and deliver said Amendment Number 1.

This Consent and Instruction may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary to produce or account for more than sufficient counterparts hereof to evidence execution by the parties hereto.

This Consent and Instruction has been duly executed by the undersigned, hereunto duly authorized on _____, 1977, but is deemed to be retroactively effective as of October 1, 1973.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By Edward J. Mulhane

Vice President

THE TRAVELERS INSURANCE COMPANY

By *[Handwritten Signature]*
Investment Officer

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By *Paul H. Wilson*

Paul H. Wilson, Assistant Secretary

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On this 1st day of March, 1977, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of WHITKATH INC., a New York corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

My Commission expires

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On this 1st day of March, 1977, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of CITIBANK, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

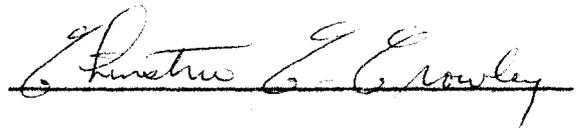
[Seal]

My Commission expires

COUNTY OF NEW YORK)
: ss.:
STATE OF NEW YORK)

I hereby swear that I have compared the foregoing copy of Amendment Number 1, dated as of March 1, 1977, to a Trust Indenture relating to surface railway rolling stock between Whitkath Inc. and First National City Bank (now Citibank, N.A.), a national banking association with corporate trust offices located in New York, New York with the original document and that it is a true and correct copy in all respects.

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



My commission expires

CHRISTINE C. CROWLEY
NOTARY PUBLIC
No. 31-4607434
Qualified in New York County
Cert. filed in New York County
Term Expires March 30, 1977

Page 2

AMENDMENTS NUMBER 1

to the

Non-Recourse Purchase and Lease Agreement
(not relating to surface railway rolling stock)

and the

Non-Recourse Purchase and Lease Agreement
(relating to surface railway rolling stock)

AMENDMENTS NUMBER 1 dated as of March 1, 1977 to the Non-Recourse Purchase and Lease Agreement (not relating to surface railway rolling stock) and the Non-Recourse Purchase and Lease Agreement (relating to surface railway rolling stock) each dated as of October 1, 1973 (separately, a "Lease", and collectively, the "Leases") between WHITKATH INC., a New York corporation ("Lessor"), and UNITED STATES STEEL CORPORATION, a Delaware corporation ("Lessee").

WHEREAS, the parties to the Leases desire to amend the Leases in certain respects.

NOW, THEREFORE, Lessor and Lessee agree as follows:

Paragraph 1. Definitions. For purposes of these Amendments Number 1, unless specified herein or unless the context otherwise requires, terms used herein shall have the same meanings as set forth in the Lease.

Paragraph 2. Amendments to Section 1. Section 1 of each of the Leases is hereby amended by adding thereto certain definitions and amending certain other definitions, as follows:

(a) A new definition as follows shall be added after the definition of Affiliate:

"Alteration means any physical alteration, modification or addition (including Parts) to a Designated, Transferred or Leased Asset for which a Purchase Price has been paid or which has been previously demised under an Interim or Basic Lease Supplement, including design, engineering, installation and other services relating to such alteration, modification or addition; provided that the term 'Alteration' shall include only alterations, modifications or additions which Lessee deems desirable in the proper conduct of its business, which have a useful life of more than seven years, which qualify for the full investment tax credit allowed by Section 36 of the Code for new section 38 property and for depreciation for specified periods in accordance with Section 167(m) of the Code under any of the methods of depreciation allowed by Section 167(b) of the Code."

(b) A new definition as follows shall be added after the definition of Agreement and Disclaimer:

"Alteration Asset means that portion, if any, of a Designated, Transferred or Leased Asset which is an Alteration. Each Alteration Asset shall be deemed to be an asset separate and apart from the Asset of which they are a portion for the purpose of computing the amount of Interim Rent, Basic Rent, Termination Value, Adjusted Termination Value, Optional Termination Value and Stipulated Loss Value."

(c) The definition of Designated Assets is hereby amended and restated as follows:

"Designated Assets shall be the name applied to those assets (including all Alteration Assets, all Escalation Assets and all Parts of whatever nature from time to time incorporated in any thereof) to be used in the Mine or at the Loading Site, which are described or referred to in Schedules 3 and 6 hereto, or to any segment of any such assets that can be placed in service without regard to the completion of any other segment or segments of such asset, prior to the time, if any, when such assets or segments become Transferred or Leased Assets."

(d) Three new definitions as follows shall be added after the definition of Encumbrance:

"Escalation Asset means that portion, if any, of a Designated, Transferred or Leased Asset for which a Purchase Price has been paid or which has been previously demised under an Interim or Basic Lease Supplement and in respect of which an Escalation Charge shall have been paid. Each Escalation Asset shall be deemed to be an asset separate and apart from the Asset of which it is a portion for the purpose of computing the amount of Interim Rent, Basic Rent, Termination Value, Adjusted Termination Value, Optional Termination Value and Stipulated Loss Value."

"Escalation Charges means those amounts payable to a Vendor pursuant to a contract providing for adjustment

of the contract price for a Designated, Transferred or Leased Asset, such as (a) to reflect changes in specifications specified increases in the Vendor's costs for such asset or (b) for changes due to final determination of quantities or amounts to reflect establishment of the total contract price payable to a Vendor or (c) pursuant to the settlement of a claim or claims by the Vendor for additional compensation with respect to such Asset, which settlement is mutually agreed to by the Vendor and Lessee on behalf of the Lessor."

"Escalation Payments means those amounts paid by Lessor to a Vendor in satisfaction of Escalation Charges or to Lessee in reimbursement for Escalation Charges paid by Lessee on Lessor's behalf in respect of an Escalation Asset."

(e) The definition of Leased Assets is hereby amended by adding a new sentence, as follows, at the end: "The term 'Leased Assets' shall also include Alteration Assets and Escalation Assets after the same are demised to Lessee under Interim or Basic Lease Supplements."

(f) The following new definition shall be added after the definition of Immediately Available Funds:

"Indemnified Investment Credit" means investment tax credit allowed pursuant to Section 38 of the Code for new section 38 property to the extent of (i) 7% of that portion of Lessor's Cost for each Transferred or Leased Asset (not exceeding 100%) which is equal to the

total Lessor's Cost of such Asset multiplied by a fraction, the numerator of which is \$70,000,000 and the denominator of which is the sum of Lessor's Cost for all Transferred or Leased Assets, and (ii) 10% of that portion of Lessor's Cost for each Transferred or Leased Asset which is equal to the total Lessor's Cost for such Asset multiplied by a fraction, the numerator of which is the excess of the sum of Lessor's Cost for all Transferred or Leased Assets over \$70,000,000 and the denominator of which is the sum of Lessor's Cost for all Transferred or Leased Assets."

(g) The definition of Pre-Purchase Advances is hereby amended by adding "and for costs of Alterations and Escalation Payments" after the second appearance of "Lessor".

(h) The definition of Purchase Price is hereby amended by adding a new sentence, as follows, at the end:

"Alteration and Escalation Assets shall be deemed to be separate Assets from those to which they relate or of which they are a portion."

(i) The definition of Transferred Assets is hereby amended by adding a new sentence, as follows, after the first sentence:

"The term 'Transferred Assets' shall also include Alteration Assets and Escalation Assets before the same are demised to Lessee under Interim or Basic Lease Supplements."

Paragraph 3. Amendment to Section 2. (a) Section 2 of each of the Leases is hereby amended by adding at the end of the paragraph captioned "(j) No Encumbrances" the following:

"except (i) a quiet title action must be brought for four parcels of land over which the railroad is being constructed, which actions Lessee reasonably believes will be successfully completed and (ii) two of the tracts referred to in (i) herein are also subject to the ownership in fee by two other persons each owning an undivided 1/36th interest in each of such tracts."

(b) Section 2 is further amended by adding at the end of the paragraph captioned "(l) Information as to Useful Lives" the following:

"and all subsequent information furnished by Lessee with respect to such serviceable lives and residual lives in connection with any Lessor Payment in respect of an Alteration Asset or an Escalation Asset will be true, complete and accurate and will represent Lessee's best informed judgment concerning such useful lives".

Paragraph 4. Amendments to Section 4. Section 4 of each of the Leases shall be amended as follows: Each reference to "\$70,000,000" shall be changed to "\$80,000,000".

Paragraph 5. Amendments to Section 6. Section 6(d)(v) of each of the Leases is hereby amended by deleting the words "court in the United States" therefrom and substituting in lieu thereof the phrase "court of competent jurisdiction in the State of New York".

Paragraph 6. Amendments to Section 8. Section 8 of each of the Leases is hereby amended in the following respects:

(1) Section 8(d)(iii) is hereby amended by adding immediately after the phrase "on each such Asset" therein the phrase "or will appear on each such Asset prior to use and prior to the time required by such governmental authorities".

(2) Section 8(d) is hereby further amended by adding immediately after paragraph (iii) thereof a new paragraph (iv) to read in its entirety:

"(iv) Stating the name and address of, and the amount to be paid to, each payee."

(3) Sections 8(f), (g), (h), (i) and (j) are relettered 8(h), (i), (j), (k) and (l) and the following new Sections 8(f) and 8(g) are added:

"(f) Additional Certificate as to Escalation Payments; Supplemental Invoices.

With respect to Escalation Payments to be made on such date, Lessor shall have received

(1) a certificate of an Authorized Lessee Representative dated such Quarterly Transfer Date:

(i) stating the name and address of, and the amount of Escalation Payments to be paid to, each payee;

(ii) identifying the Designated, Transferred or Leased Asset in respect of which payment is being made, the Schedule on which it is listed and the group of which it is a member;

(iii) stating that each such amount is properly payable as an Escalation Charge and is unpaid and whether or not such payment is a final payment in respect of the particular Asset in respect of which payment is being made and includes no payments relating to grading, excavating or otherwise altering the contour of any real estate nor any costs relating to footings, pilings, foundations, concrete pads or similar supports nor any costs of grouting.

(2) Copies of each Invoice or other evidence satisfactory to Lessor setting forth the Escalation Payments to be paid or reimbursed to Lessee.

(3) A reaffirmation by counsel for the Lessee of the opinion required by Section 8(e) hereof on payment of the Purchase Price with respect to each Asset in respect of which Escalation Payments are to be made.

(g) Additional Certificate as to Alterations; Opinion of Counsel. With respect to Alterations for which payment is to be made on such date, Lessor shall have received:

(1) a certificate of an Authorized Lessee Representative dated such Quarterly Transfer Date:

(i) stating the name and address of, and the amount to be paid to, each payee and specifying the portion thereof, if any, to be retained by Lessor pending further performance by the Vendor or for any other reason (specifying the same);

(ii) identifying the Designated, Transferred or Leased Asset in respect of which payment for Alterations is being made, the Schedule on which it is listed and the group of which it is a member;

(iii) briefly describing the nature of the Alteration and stating that the alterations, modifications and/or additions comprising such Alteration are "Alterations" within the meaning hereof;

(iv) stating that the cost of such Alterations does not include any costs relating to grading, excavating or otherwise altering the contour of any real estate nor any costs of or relating to footings, pilings, foundations, concrete pads or similar supports to which such Transferred or Leased Asset is attached nor any cost of grouting;

(v) stating that no part of the Alterations was made as a result of the requirements of Section 15 hereof, that each such amount is properly payable, is unpaid and whether or not it is a final payment in respect of the particular Alteration in respect of which payment is being made, that such Alteration does not adversely affect Lessor's title to the applicable Designated, Transferred or Leased Asset or diminish the value or utility of such

Designated, Transferred or Leased Asset below the value, utility and condition thereof prior to such Alteration (assuming such Designated, Transferred or Leased Asset was then in the condition required to be maintained by the Lease) or adversely affect the estimated serviceable life or residual value of such Designated, Transferred or Leased Asset; and

(vi) stating that such Asset is in compliance with the requirements of Section 8(d)(iii).

(2) Copies of each Invoice or other evidence satisfactory to Lessor setting forth the costs of the Alteration.

(3) A reaffirmation by counsel for the Lessee of the opinion required by Section 8(e) hereof on payment of the Purchase Price with respect to each Asset in respect of which payment for an Alteration is to be made and to the effect that good and marketable title to such Alteration is vested in Lessor free and clear of all Encumbrances, subject to the proviso in Section 8(e) hereof."

(4) The reference in Section 8(e) to Section 8(g) is changed to Section 8(i) and the reference in the penultima paragraph of Section 8 to "(h) and (i) above" is changed to "(j) and (k) above".

(5) The last paragraph of Section 8 is amended by changing "\$70,000,000" to "\$80,000,000".

Paragraph 7. Amendment to Section 10. Section 10 of each of the Leases is hereby amended as follows:

(a) The following shall be added in the sixth sentence after the words "Interim Term commenced":

"the expiration date for the Basic Term of each Alteration Asset and each Escalation Asset shall be the expiration date of the Basic Term of the Leased Asset of which such Alteration Asset is a portion or to which such Escalation Asset relates, as the case may be; and"

(b) The following shall be added in the seventh sentence after the words "January 1, 2007, as referred to above":

"or (iii) which is an Alteration Asset or an Escalation Asset the Basic Term of which commences at the time of or after the commencement of the Basic Term of the Leased Asset of which such Alteration Asset is a portion or to which such Escalation Asset relates, as the case may be,"

Paragraph 8. Amendment to Section 11. Section 11(b)(vi) of each of the Leases is hereby amended to add "and" after "operate" and to delete the last clause reading "and (D) is not subject to any retention of any portion of any Lessor Payment in respect thereof."

Paragraph 9. Amendment to Section 16. Section 16(b) of each of the Leases is hereby amended as follows: by adding after "expense" the words "(except in the case of Alterations in respect of which Lessor Payments are made pursuant to Section 8(g) hereof)," and by adding at the end the words "or adversely affects the estimated serviceable life or residual value of such Designated, Transferred or Leased Assets".

Paragraph 10. Amendment to Section 20.

(a) Section 20(a) of each of the Leases is amended by adding the following at the end thereof:

"Any such payments to Lessee which are not paid over to Vendors or in reimbursement of amounts paid by Lessee to Vendors on behalf of Lessor shall be forthwith applied by Lessee to the credit of amounts due from Hydro under provisions of the Coal Purchase Agreement other than Section 6.1 thereof. Any refunds received by Lessee from any Vendor shall be similarly applied."

(b) Section 20(b) of each of the Leases is amended by adding at the end the following:

"and provided still further, however, that subject to the limit of \$80,000,000 on total Lessor's Cost, Lessee shall not be required by this Section to pay Escalation

Charges or costs of Alterations which qualify for payment by Lessor pursuant to the terms of this Lease."

Paragraph 11. Amendment to Section 35. Section 35 is amended by adding in the first "provided, however" clause, after the word "excluded" the following:

"any franchise taxes or taxes based on, or measured by, net income imposed by the Commonwealth of Pennsylvania or any taxing authority thereof on, or measured by, any portion of Rent which is attributable to any excess of the aggregate amount of Lessor's Cost over \$70,000,000 or".

Paragraph 12. Amendment to Section 36. Section 36 of each of the Leases is hereby amended as follows:

(1) The first sentence of Subsection (a) is amended by deleting the words "full 7% investment credit allowed by Section 38 of the Code for 'new section 38 property'" and inserting in lieu thereof the words "Indemnified Investment Credit", changing the words "investment credit" to "Indemnified Investment Credit" throughout Subsection (a), and deleting the clause beginning with "provided, however," through the word "events:" and inserting in lieu thereof the following:

"and if the benefit of any portion of such Indemnified Investment Credit is allowed for a taxable year which is subsequent to the year for which it is initially claimed by the Lessor or such Owner Participant, the Lessee shall, subject to the provisions of Subsection (d) below, pay the Lessor or such Owner Participant the amount of any interest, penalties or additions to tax payable to the United States government by the Lessor or such Owner Participant as the result of the deferral of such benefit; provided, however, that the Lessee shall not be required to make such payments if such loss or such deferral results because of the occurrence of any of the following events:"

(2) The first sentence of Subsection (b) is amended by inserting at the end of clause (A), after the words "in effect", the following:

" , such depreciation deductions to be computed on the assumptions that each Leased Asset (or any portion thereof) is placed in service on the date on which

such Leased Asset is placed under an Interim Lease Supplement or the date on which such Leased Asset is placed under a Basic Lease Supplement, whichever first occurs, and that depreciation for any portion of Lessor's Cost for such Leased Asset which is paid after such Leased Asset is placed in service shall commence when such portion of Lessor's Cost is paid by Lessor or such Owner Participants,"

Paragraph 13. Amendment to Section 41(k). Section 41(k) of each of the Leases is hereby amended by adding immediately after the phrase "of the Participation Agreement" in the last line thereof the phrase:

"; provided, however, that nothing in this Lease shall be deemed to prohibit the assignment by Lessee of any amounts receivable from Lessor or rights hereunder with respect thereto or the creation by Lessee of security interests therein to the extent that prohibitions thereof or requirements as to consent thereto are ineffective under mandatory provisions of law."

Paragraph 14. Amendment to Schedule 1 to Leases.

Schedule 1 to each of the Leases is hereby amended by inserting after the date "October 1, 1973" in the WHEREAS clause the phrase ", as amended on or prior to the date hereof".

Paragraph 15. Amendments to Schedules 3 and 6.

Schedule 3 and Schedule 6 to the Lease (not relating to surface railway rolling stock) are hereby amended as set forth in Schedules 3 and 6 attached hereto and incorporated herein in full by reference. In addition, Schedule 3 to each of the Leases and Schedule 6 of the Lease (not relating to surface railway rolling stock) shall each be deemed to include the following statement: "In addition to the Stipulated Loss, Termination and Optional Termination Values payable as prescribed on this Schedule, there shall be added to such amount payable such additional amount, if any, as shall be necessary to pay prepayment penalties, if any, incurred by Lessor under the Indenture."

Paragraph 16. Continuing Effect of Leases. Except as herein specifically amended, the terms of both of the Leases are hereby ratified and confirmed as being in full force and effect.

Paragraph 17. Chattel Paper. To the extent, if any, that this Amendment to either or both of the Leases constitutes chattel paper (as such term is defined in the Uniform

Commercial Code as in effect in any applicable jurisdiction) no security interest in this Amendment may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on the signature page thereof.

Paragraph 18. Effectiveness and Enforceability. These Amendments Number 1 shall be effective and enforceable upon the execution and delivery hereof by Lessor and Lessee and upon the execution and delivery of the consents, instructions and agreements appended hereto.

Paragraph 19. Counterparts. These Amendments Number 1 may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, these Amendments Number 1 have been duly executed by the undersigned, hereunto duly authorized on March 1, 1977 but are deemed to be retroactively effective as of October 1, 1973.

WHITKATH INC.

(SEAL)

By _____

UNITED STATES STEEL CORPORATION

(SEAL)

By _____

Attest: _____

CONSENT

Pursuant to Section 17B of the Participation Agreement dated as of October 1, 1973 (the "Participation Agreement") among Hydro, Lessee, Lessor, the Loan Participants (as named therein) and First National City Bank (now Citibank, N.A.), as Trustee (the "Trustee"), the undersigned hereby consents to the execution and delivery of the above Amendments Number 1 to the Leases.

For the purposes of the Coal Purchase Agreement, dated as of October 1, 1973, between Ontario Hydro and the Lessee, any references to the Lease in such document include the above Amendments Number 1 to the Leases.

Duly executed by the undersigned, hereunto duly authorized, on March 1, 1977 but deemed to be retroactively effective as of October 1, 1973.

ONTARIO HYDRO

By



Secretary

CONSENT AND INSTRUCTION

Pursuant to Section 17B of the Participation Agreement, the undersigned hereby consent to the execution and delivery of the above Amendments Number 1 to each of the Leases and, pursuant to Section 35.4 of the two Trust Indentures dated as of October 1, 1973 (the "Indentures") between Whitkath Inc. and the Trustee, hereby instruct the Trustee to agree to the execution and delivery of said Amendments Number 1.

This Consent and Instruction may be executed by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument.

Duly executed by the undersigned, hereunto duly authorized, on _____, 1977 but deemed to be retroactively effective as of October 1, 1973.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By _____

THE TRAVELERS INSURANCE COMPANY

By _____

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By _____

AGREEMENT

Pursuant to the above instructions, Citibank, N.A. (formerly First National City Bank), as Trustee under the Indenture, hereby agrees to the execution and delivery of the above Amendments Number 1 to each of the Leases.

Duly executed by the undersigned, hereunto duly authorized, on _____, 1977 but deemed to be retroactively effective as of October 1, 1973.

CITIBANK, N.A.
as Trustee

By _____

Changes to Schedule 3 to the Lease (not
relating to surface railway rolling stock)
to delete the Mine Car Haulage System and
substitute the Conveyor Belt System

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
I		2. Mobile Equipment for Refuse Disposal	2. Mobile Equipment for refuse handling, maintenance and material and supply handling
III		7. Shuttle Cars	7. Shuttle Cars and Battery Powered Ram Cars
		10. Trace Tamper	10. Track Tamper
	14. Mainline Conveyors 15. Auxiliary Fans 16. Feeder Breakers 17. Shotcrete Machines		
IV		1. Mine Drainage, Pumps, Pumping Station and Water Treatment Facilities	1. Mine Drainage, Pumps, Pumping Station, Discharge Pipelines, and Water Treatment Facilities
		2. Slope Hoists, Air Fans, Substations and Fire Protection Facilities	2. Slope Hoists, Air Fans, Brake Cars, Substations and Fire Protection Facilities
		4. Slope Bottom Machine and Conveyors	4. Slope Bottom Machinery and Conveyors

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VI(a)		1. Thermal Dryer, including Pulverizers, Firing Equipment, Blowers, Scrubbers and Stacks	1. Thermal Dryer, including Combustion Equipment, Blowers, Scrubbers and Stacks
VII(a)		1. 12-Ton Mine Cars 4. 54-Ton Locomotives 5. 20-Ton Locomotives 6. Equipment Dollies 7. Repair Equipment 8. Load Centers 9. Switch Gear 10. 600V DC Circuit Breakers 11. Disconnect Boxes 12. Cable Couplers 13. Trolley and Dial Telephones	1. Mine Cars 4. Supply Locomotives 5. Equipment Dollies 6. Repair Equipment 7. Load Centers 8. Switch Gear 9. Distribution Boxes 10. Cable Couplers 11. Trolley and Dial Telephones 12. Main Haulage (excluding Roof Support and Ventilation) 13. Raw Coal Handling Facilities including Rotary Breakers, Crusher, Feeders and Conveyor (excluding raw coal silos)

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VII(a)		14. Main Haulage (excluding Roof Support and Ventilation)	14. Preparation Plant - Coal Processing Equipment, Conveyor and Structure (excluding clean coal silo)
		15. Raw Coal Handling Facilities including Rotary Breakers, Crusher, Feeders and Conveyor (excluding raw coal silos)	15. Water Clarification Facilities including Thickener, Pumps and Lines and Effluent Treatment Facilities
		16. Preparation Plant - Coal Processing Equipment, Conveyors and Structure (excluding clean coal silo)	16. Preparation Plant Yard Piping and Water Storage Facilities
		17. Water Clarification Facilities including Thickener, Pumps and Lines, and Effluent Treatment Facilities	17. Electrical Power Distribution Facilities
	18. Shop Equipment	18. Preparation Plant Yard Piping and Water Storage Facilities	

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VII(a)	19. Transfer Bin	19. Electrical Distribution Facilities	
	20. Surface and Slope Mine Track		
	21. Refuse Slurry and Pressure Filter Facilities		
	22. Water Tanks		

AMENDMENTS NUMBER 1

to the

Non-Recourse Purchase and Lease Agreement
(not relating to surface railway rolling stock)

and the

Non-Recourse Purchase and Lease Agreement
(relating to surface railway rolling stock)

AMENDMENTS NUMBER 1 dated as of March 1, 1977 to the Non-Recourse Purchase and Lease Agreement (not relating to surface railway rolling stock) and the Non-Recourse Purchase and Lease Agreement (relating to surface railway rolling stock) each dated as of October 1, 1973 (separately, a "Lease", and collectively, the "Leases") between WHITKATH INC., a New York corporation ("Lessor"), and UNITED STATES STEEL CORPORATION, a Delaware corporation ("Lessee").

WHEREAS, the parties to the Leases desire to amend the Leases in certain respects.

NOW, THEREFORE, Lessor and Lessee agree as follows:

Paragraph 1. Definitions. For purposes of these Amendments Number 1, unless specified herein or unless the context otherwise requires, terms used herein shall have the same meanings as set forth in the Lease.

Paragraph 2. Amendments to Section 1. Section 1 of each of the Leases is hereby amended by adding thereto certain definitions and amending certain other definitions, as follows:

(a) A new definition as follows shall be added after the definition of Affiliate:

"Alteration means any physical alteration, modification or addition (including Parts) to a Designated, Transferred or Leased Asset for which a Purchase Price has been paid or which has been previously demised under an Interim or Basic Lease Supplement, including design, engineering, installation and other services relating to such alteration, modification or addition; provided that the term 'Alteration' shall include only alterations, modifications or additions which Lessee deems desirable in the proper conduct of its business, which have a useful life of more than seven years, which qualify for the full investment tax credit allowed by Section 36 of the Code for new section 38 property and for depreciation for specified periods in accordance with Section 167(m) of the Code under any of the methods of depreciation allowed by Section 167(b) of the Code."

(b) A new definition as follows shall be added after the definition of Agreement and Disclaimer:

"Alteration Asset means that portion, if any, of a Designated, Transferred or Leased Asset which is an Alteration. Each Alteration Asset shall be deemed to be an asset separate and apart from the Asset of which they are a portion for the purpose of computing the amount of Interim Rent, Basic Rent, Termination Value, Adjusted Termination Value, Optional Termination Value and Stipulated Loss Value."

(c) The definition of Designated Assets is hereby amended and restated as follows:

"Designated Assets shall be the name applied to those assets (including all Alteration Assets, all Escalation Assets and all Parts of whatever nature from time to time incorporated in any thereof) to be used in the Mine or at the Loading Site, which are described or referred to in Schedules 3 and 6 hereto, or to any segment of any such assets that can be placed in service without regard to the completion of any other segment or segments of such asset, prior to the time, if any, when such assets or segments become Transferred or Leased Assets."

(d) Three new definitions as follows shall be added after the definition of Encumbrance:

"Escalation Asset means that portion, if any, of a Designated, Transferred or Leased Asset for which a Purchase Price has been paid or which has been previously demised under an Interim or Basic Lease Supplement and in respect of which an Escalation Charge shall have been paid. Each Escalation Asset shall be deemed to be an asset separate and apart from the Asset of which it is a portion for the purpose of computing the amount of Interim Rent, Basic Rent, Termination Value, Adjusted Termination Value, Optional Termination Value and Stipulated Loss Value."

"Escalation Charges means those amounts payable to a Vendor pursuant to a contract providing for adjustment

of the contract price for a Designated, Transferred or Leased Asset, such as (a) to reflect changes in specification specified increases in the Vendor's costs for such asset or (b) for changes due to final determination of quantities or amounts to reflect establishment of the total contract price payable to a Vendor or (c) pursuant to the settlement of a claim or claims by the Vendor for additional compensation with respect to such Asset, which settlement is mutually agreed to by the Vendor and Lessee on behalf of the Lessor."

"Escalation Payments means those amounts paid by Lessor to a Vendor in satisfaction of Escalation Charges or to Lessee in reimbursement for Escalation Charges paid by Lessee on Lessor's behalf in respect of an Escalation Asset."

(e) The definition of Leased Assets is hereby amended by adding a new sentence, as follows, at the end: "The term 'Leased Assets' shall also include Alteration Assets and Escalation Assets after the same are demised to Lessee under Interim or Basic Lease Supplements."

(f) The following new definition shall be added after the definition of Immediately Available Funds:

"Indemnified Investment Credit" means investment tax credit allowed pursuant to Section 38 of the Code for new section 38 property to the extent of (i) 7% of that portion of Lessor's Cost for each Transferred or Leased Asset (not exceeding 100%) which is equal to the

total Lessor's Cost of such Asset multiplied by a fraction, the numerator of which is \$70,000,000 and the denominator of which is the sum of Lessor's Cost for all Transferred or Leased Assets, and (ii) 10% of that portion of Lessor's Cost for each Transferred or Leased Asset which is equal to the total Lessor's Cost for such Asset multiplied by a fraction, the numerator of which is the excess of the sum of Lessor's Cost for all Transferred or Leased Assets over \$70,000,000 and the denominator of which is the sum of Lessor's Cost for all Transferred or Leased Assets."

(g) The definition of Pre-Purchase Advances is hereby amended by adding "and for costs of Alterations and Escalation Payments" after the second appearance of "Lessor".

(h) The definition of Purchase Price is hereby amended by adding a new sentence, as follows, at the end:

"Alteration and Escalation Assets shall be deemed to be separate Assets from those to which they relate or of which they are a portion."

(i) The definition of Transferred Assets is hereby amended by adding a new sentence, as follows, after the first sentence:

"The term 'Transferred Assets' shall also include Alteration Assets and Escalation Assets before the same are demised to Lessee under Interim or Basic Lease Supplements."

Paragraph 3. Amendment to Section 2. (a) Section 2 of each of the Leases is hereby amended by adding at the end of the paragraph captioned "(j) No Encumbrances" the following:

"except (i) a quiet title action must be brought for four parcels of land over which the railroad is being constructed, which actions Lessee reasonably believes will be successfully completed and (ii) two of the tracts referred to in (i) herein are also subject to the ownership in fee by two other persons each owning an undivided 1/36th interest in each of such tracts."

(b) Section 2 is further amended by adding at the end of the paragraph captioned "(l) Information as to Useful Lives" the following:

"and all subsequent information furnished by Lessee with respect to such serviceable lives and residual lives in connection with any Lessor Payment in respect of an Alteration Asset or an Escalation Asset will be true, complete and accurate and will represent Lessee's best informed judgment concerning such useful lives".

Paragraph 4. Amendments to Section 4. Section 4 of each of the Leases shall be amended as follows: Each reference to "\$70,000,000" shall be changed to "\$80,000,000".

Paragraph 5. Amendments to Section 6. Section 6(d)(v) of each of the Leases is hereby amended by deleting the words "court in the United States" therefrom and substituting in lieu thereof the phrase "court of competent jurisdiction in the State of New York".

Paragraph 6. Amendments to Section 8. Section 8 of each of the Leases is hereby amended in the following respects:

(1) Section 8(d)(iii) is hereby amended by adding immediately after the phrase "on each such Asset" therein the phrase "or will appear on each such Asset prior to use and prior to the time required by such governmental authorities".

(2) Section 8(d) is hereby further amended by adding immediately after paragraph (iii) thereof a new paragraph (iv) to read in its entirety:

"(iv) Stating the name and address of, and the amount to be paid to, each payee."

(3) Sections 8(f), (g), (h), (i) and (j) are relettered 8(h), (i), (j), (k) and (l) and the following new Sections 8(f) and 8(g) are added:

"(f) Additional Certificate as to Escalation Payments; Supplemental Invoices.

With respect to Escalation Payments to be made on such date, Lessor shall have received

(1) a certificate of an Authorized Lessee Representative dated such Quarterly Transfer Date:

(i) stating the name and address of, and the amount of Escalation Payments to be paid to, each payee;

(ii) identifying the Designated, Transferred or Leased Asset in respect of which payment is being made, the Schedule on which it is listed and the group of which it is a member;

(iii) stating that each such amount is properly payable as an Escalation Charge and is unpaid and whether or not such payment is a final payment in respect of the particular Asset in respect of which payment is being made and includes no payments relating to grading, excavating or otherwise altering the contour of any real estate nor any costs relating to footings, pilings, foundations, concrete pads or similar supports nor any costs of grouting.

(2) Copies of each Invoice or other evidence satisfactory to Lessor setting forth the Escalation Payments to be paid or reimbursed to Lessee.

(3) A reaffirmation by counsel for the Lessee of the opinion required by Section 8(e) hereof on payment of the Purchase Price with respect to each Asset in respect of which Escalation Payments are to be made.

(g) Additional Certificate as to Alterations; Opinion of Counsel. With respect to Alterations for which payment is to be made on such date, Lessor shall have received:

(1) a certificate of an Authorized Lessee Representative dated such Quarterly Transfer Date:

(i) stating the name and address of, and the amount to be paid to, each payee and specifying the portion thereof, if any, to be retained by Lessor pending further performance by the Vendor or for any other reason (specifying the same);

(ii) identifying the Designated, Transferred or Leased Asset in respect of which payment for Alterations is being made, the Schedule on which it is listed and the group of which it is a member;

(iii) briefly describing the nature of the Alteration and stating that the alterations, modifications and/or additions comprising such Alteration are "Alterations" within the meaning hereof;

(iv) stating that the cost of such Alterations does not include any costs relating to grading, excavating or otherwise altering the contour of any real estate nor any costs of or relating to footings, pilings, foundations, concrete pads or similar supports to which such Transferred or Leased Asset is attached nor any cost of grouting;

(v) stating that no part of the Alterations was made as a result of the requirements of Section 15 hereof, that each such amount is properly payable, is unpaid and whether or not it is a final payment in respect of the particular Alteration in respect of which payment is being made, that such Alteration does not adversely affect Lessor's title to the applicable Designated, Transferred or Leased Asset or diminish the value or utility of such

Designated, Transferred or Leased Asset below the value, utility and condition thereof prior to such Alteration (assuming such Designated, Transferred or Leased Asset was then in the condition required to be maintained by the Lease) or adversely affect the estimated serviceable life or residual value of such Designated, Transferred or Leased Asset; and

(vi) stating that such Asset is in compliance with the requirements of Section 8(d)(iii).

(2) Copies of each Invoice or other evidence satisfactory to Lessor setting forth the costs of the Alteration.

(3) A reaffirmation by counsel for the Lessee of the opinion required by Section 8(e) hereof on payment of the Purchase Price with respect to each Asset in respect of which payment for an Alteration is to be made and to the effect that good and marketable title to such Alteration is vested in Lessor free and clear of all Encumbrances, subject to the proviso in Section 8(e) hereof."

(4) The reference in Section 8(e) to Section 8(g) is changed to Section 8(i) and the reference in the penultimate paragraph of Section 8 to "(h) and (i) above" is changed to "(j) and (k) above".

(5) The last paragraph of Section 8 is amended by changing "\$70,000,000" to "\$80,000,000".

Paragraph 7. Amendment to Section 10. Section 10 of each of the Leases is hereby amended as follows:

(a) The following shall be added in the sixth sentence after the words "Interim Term commenced":

"the expiration date for the Basic Term of each Alteration Asset and each Escalation Asset shall be the expiration date of the Basic Term of the Leased Asset of which such Alteration Asset is a portion or to which such Escalation Asset relates, as the case may be; and"

(b) The following shall be added in the seventh sentence after the words "January 1, 2007, as referred to above":

"or (iii) which is an Alteration Asset or an Escalation Asset the Basic Term of which commences at the time of or after the commencement of the Basic Term of the Leased Asset of which such Alteration Asset is a portion or to which such Escalation Asset relates, as the case may be,"

Paragraph 8. Amendment to Section 11. Section 11(b)(vi) of each of the Leases is hereby amended to add "and" after "operate" and to delete the last clause reading "and (D) is not subject to any retention of any portion of any Lessor Payment in respect thereof."

Paragraph 9. Amendment to Section 16. Section 16(b) of each of the Leases is hereby amended as follows: by adding after "expense" the words "(except in the case of Alterations in respect of which Lessor Payments are made pursuant to Section 8(g) hereof)," and by adding at the end the words "or adversely affects the estimated serviceable life or residual value of such Designated, Transferred or Leased Assets".

Paragraph 10. Amendment to Section 20.

(a) Section 20(a) of each of the Leases is amended by adding the following at the end thereof:

"Any such payments to Lessee which are not paid over to Vendors or in reimbursement of amounts paid by Lessee to Vendors on behalf of Lessor shall be forthwith applied by Lessee to the credit of amounts due from Hydro under provisions of the Coal Purchase Agreement other than Section 6.1 thereof. Any refunds received by Lessee from any Vendor shall be similarly applied."

(b) Section 20(b) of each of the Leases is amended by adding at the end the following:

"and provided still further, however, that subject to the limit of \$80,000,000 on total Lessor's Cost, Lessee shall not be required by this Section to pay Escalation

Charges or costs of Alterations which qualify for payment by Lessor pursuant to the terms of this Lease."

Paragraph 11. Amendment to Section 35. Section 35 is amended by adding in the first "provided, however" clause, after the word "excluded" the following:

"any franchise taxes or taxes based on, or measured by, net income imposed by the Commonwealth of Pennsylvania or any taxing authority thereof on, or measured by, any portion of Rent which is attributable to any excess of the aggregate amount of Lessor's Cost over \$70,000,000 or".

Paragraph 12. Amendment to Section 36. Section 36 of each of the Leases is hereby amended as follows:

(1) The first sentence of Subsection (a) is amended by deleting the words "full 7% investment credit allowed by Section 38 of the Code for 'new section 38 property'" and inserting in lieu thereof the words "Indemnified Investment Credit", changing the words "investment credit" to "Indemnified Investment Credit" throughout Subsection (a), and deleting the clause beginning with "provided, however," through the word "events:" and inserting in lieu thereof the following:

"and if the benefit of any portion of such Indemnified Investment Credit is allowed for a taxable year which is subsequent to the year for which it is initially claimed by the Lessor or such Owner Participant, the Lessee shall, subject to the provisions of Subsection (d) below, pay the Lessor or such Owner Participant the amount of any interest, penalties or additions to tax payable to the United States government by the Lessor or such Owner Participant as the result of the deferral of such benefit; provided, however, that the Lessee shall not be required to make such payments if such loss or such deferral results because of the occurrence of any of the following events:"

(2) The first sentence of Subsection (b) is amended by inserting at the end of clause (A), after the words "in effect", the following:

" , such depreciation deductions to be computed on the assumptions that each Leased Asset (or any portion thereof) is placed in service on the date on which

such Leased Asset is placed under an Interim Lease Supplement or the date on which such Leased Asset is placed under a Basic Lease Supplement, whichever first occurs, and that depreciation for any portion of Lessor's Cost for such Leased Asset which is paid after such Leased Asset is placed in service shall commence when such portion of Lessor's Cost is paid by Lessor or such Owner Participants,"

Paragraph 13. Amendment to Section 41(k). Section 41(k) of each of the Leases is hereby amended by adding immediately after the phrase "of the Participation Agreement" in the last line thereof the phrase:

"; provided, however, that nothing in this Lease shall be deemed to prohibit the assignment by Lessee of any amounts receivable from Lessor or rights hereunder with respect thereto or the creation by Lessee of security interests therein to the extent that prohibitions thereof or requirements as to consent thereto are ineffective under mandatory provisions of law."

Paragraph 14. Amendment to Schedule 1 to Leases. Schedule 1 to each of the Leases is hereby amended by inserting after the date "October 1, 1973" in the WHEREAS clause the phrase ", as amended on or prior to the date hereof".

Paragraph 15. Amendments to Schedules 3 and 6. Schedule 3 and Schedule 6 to the Lease (not relating to surface railway rolling stock) are hereby amended as set forth in Schedules 3 and 6 attached hereto and incorporated herein in full by reference. In addition, Schedule 3 to each of the Leases and Schedule 6 of the Lease (not relating to surface railway rolling stock) shall each be deemed to include the following statement: "In addition to the Stipulated Loss, Termination and Optional Termination Values payable as prescribed on this Schedule, there shall be added to such amount payable such additional amount, if any, as shall be necessary to pay prepayment penalties, if any, incurred by Lessor under the Indenture."

Paragraph 16. Continuing Effect of Leases. Except as herein specifically amended, the terms of both of the Leases are hereby ratified and confirmed as being in full force and effect.

Paragraph 17. Chattel Paper. To the extent, if any, that this Amendment to either or both of the Leases constitutes chattel paper (as such term is defined in the Uniform

Commercial Code as in effect in any applicable jurisdiction) no security interest in this Amendment may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on the signature page thereof.

Paragraph 18. Effectiveness and Enforceability. These Amendments Number 1 shall be effective and enforceable upon the execution and delivery hereof by Lessor and Lessee and upon the execution and delivery of the consents, instructions and agreements appended hereto.

Paragraph 19. Counterparts. These Amendments Number 1 may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, these Amendments Number 1 have been duly executed by the undersigned, hereunto duly authorized on March 1, 1977, but are deemed to be retroactively effective as of October 1, 1973.

WHITKATH INC.

(SEAL)

By _____

UNITED STATES STEEL CORPORATION

(SEAL)

By W. E. L...

Attest: R...

CONSENT

Pursuant to Section 17B of the Participation Agreement dated as of October 1, 1973 (the "Participation Agreement") among Hydro, Lessee, Lessor, the Loan Participants (as named therein) and First National City Bank (now Citibank, N.A.), as Trustee (the "Trustee"), the undersigned hereby consents to the execution and delivery of the above Amendments Number 1 to the Leases.

For the purposes of the Coal Purchase Agreement, dated as of October 1, 1973, between Ontario Hydro and the Lessee, any references to the Lease in such document include the above Amendments Number 1 to the Leases.

- Duly executed by the undersigned, hereunto duly authorized, on _____, 1977 but deemed to be retroactively effective as of October 1, 1973.

ONTARIO HYDRO

By _____

CONSENT AND INSTRUCTION

Pursuant to Section 17B of the Participation Agreement, the undersigned hereby consent to the execution and delivery of the above Amendments Number 1 to each of the Leases and, pursuant to Section 35.4 of the two Trust Indentures dated as of October 1, 1973 (the "Indentures") between Whitkath Inc. and the Trustee, hereby instruct the Trustee to agree to the execution and delivery of said Amendments Number 1.

This Consent and Instruction may be executed by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument.

Duly executed by the undersigned, hereunto duly authorized, on _____, 1977 but deemed to be retroactively effective as of October 1, 1973.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By _____

THE TRAVELERS INSURANCE COMPANY

By _____

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By _____

AGREEMENT

Pursuant to the above instructions, Citibank, N.A. (formerly First National City Bank), as Trustee under the Indenture, hereby agrees to the execution and delivery of the above Amendments Number 1 to each of the Leases.

Duly executed by the undersigned, hereunto duly authorized, on FEB 25 1977, 1977 but deemed to be retroactively effective as of October 1, 1973.

CITIBANK, N.A.
as Trustee

x
By



Changes to Schedule 3 to the Lease (not relating to surface railway rolling stock) to delete the Mine Car Haulage System and substitute the Conveyor Belt System

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
I		2. Mobile Equipment for Refuse Disposal	2. Mobile Equipment for refuse handling, maintenance and material and supply handling
III		7. Shuttle Cars	7. Shuttle Cars and Battery Powered Ram Cars
		10. Trace Tamper	10. Track Tamper
	14. Mainline Conveyors 15. Auxiliary Fans 16. Feeder Breakers 17. Shotcrete Machines		
IV		1. Mine Drainage, Pumps, Pumping Station and Water Treatment Facilities	1. Mine Drainage, Pumps, Pumping Station, Discharge Pipelines, and Water Treatment Facilities
		2. Slope Hoists, Air Fans, Substations and Fire Protection Facilities	2. Slope Hoists, Air Fans, Brake Cars, Substations and Fire Protection Facilities
		4. Slope Bottom Machine and Conveyors	4. Slope Bottom Machinery and Conveyors

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VI (a)		1. Thermal Dryer, including Pulverizers Firing Equipment, Blowers, Scrubbers and Stacks	1. Thermal Dryer, including Combustion Equipment, Blowers, Scrubbers and Stacks
VII (a)		1. 12-Ton Mine Cars 4. 54-Ton Locomotives 5. 20-Ton Locomotives 6. Equipment Dollies 7. Repair Equipment 8. Load Centers 9. Switch Gear 10. 600V DC Circuit Breakers 11. Disconnect Boxes 12. Cable Couplers 13. Trolley and Dial Telephones	1. Mine Cars 4. Supply Locomotives 5. Equipment Dollies 6. Repair Equipment 7. Load Centers 8. Switch Gear 9. Distribution Boxes 10. Cable Couplers 11. Trolley and Dial Telephones 12. Main Haulage (excluding Roof Support and Ventilation) 13. Raw Coal Handling Facilities including Rotary Breakers, Crusher, Feeders and Conveyor (excluding raw coal silos)

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VII (a)		14. Main Haulage (excluding Roof Support and Ventilation)	14. Preparation Plant - Coal Processing Equipment, Conveyor and Structure (excluding clean coal silo)
		15. Raw Coal Handling Facilities including Rotary Breakers, Crusher, Feeders and Conveyor (excluding raw coal silos)	15. Water Clarification Facilities including Thickener, Pumps and Lines and Effluent Treatment Facilities
		16. Preparation Plant - Coal Processing Equipment, Conveyors and Structure (excluding clean coal silo)	16. Preparation Plant Yard Piping and Water Storage Facilities
		17. Water Clarification Facilities including Thickener, Pumps and Lines, and Effluent Treatment Facilities	17. Electrical Power Distribution Facilities
	18. Shop Equipment	18. Preparation Plant Yard Piping and Water Storage Facilities	

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VII(a)	19. Transfer Bin	19. Electrical Distribution Facilities	
	20. Surface and Slope Mine Track		
	21. Refuse Slurry and Pressure Filter Facilities		
	22. Water Tanks		

J. J. J.

AMENDMENTS NUMBER 1

to the

Non-Recourse Purchase and Lease Agreement
(not relating to surface railway rolling stock)

and the

Non-Recourse Purchase and Lease Agreement
(relating to surface railway rolling stock)

AMENDMENTS NUMBER 1 dated as of March 1, 1977 to the Non-Recourse Purchase and Lease Agreement (not relating to surface railway rolling stock) and the Non-Recourse Purchase and Lease Agreement (relating to surface railway rolling stock) each dated as of October 1, 1973 (separately, a "Lease", and collectively, the "Leases") between WHITKATH INC., a New York corporation ("Lessor"), and UNITED STATES STEEL CORPORATION, a Delaware corporation ("Lessee").

WHEREAS, the parties to the Leases desire to amend the Leases in certain respects.

NOW, THEREFORE, Lessor and Lessee agree as follows:

Paragraph 1. Definitions. For purposes of these Amendments Number 1, unless specified herein or unless the context otherwise requires, terms used herein shall have the same meanings as set forth in the Lease.

Paragraph 2. Amendments to Section 1. Section 1 of each of the Leases is hereby amended by adding thereto certain definitions and amending certain other definitions, as follows:

(a) A new definition as follows shall be added after the definition of Affiliate:

"Alteration means any physical alteration, modification or addition (including Parts) to a Designated, Transferred or Leased Asset for which a Purchase Price has been paid or which has been previously demised under an Interim or Basic Lease Supplement, including design, engineering, installation and other services relating to such alteration, modification or addition; provided that the term 'Alteration' shall include only alterations, modifications or additions which Lessee deems desirable in the proper conduct of its business, which have a useful life of more than seven years, which qualify for the full investment tax credit allowed by Section 36 of the Code for new section 38 property and for depreciation for specified periods in accordance with Section 167(m) of the Code under any of the methods of depreciation allowed by Section 167(b) of the Code."

(b) A new definition as follows shall be added after the definition of Agreement and Disclaimer:

"Alteration Asset means that portion, if any, of a Designated, Transferred or Leased Asset which is an Alteration. Each Alteration Asset shall be deemed to be an asset separate and apart from the Asset of which they are a portion for the purpose of computing the amount of Interim Rent, Basic Rent, Termination Value, Adjusted Termination Value, Optional Termination Value and Stipulated Loss Value."

(c) The definition of Designated Assets is hereby amended and restated as follows:

"Designated Assets shall be the name applied to those assets (including all Alteration Assets, all Escalation Assets and all Parts of whatever nature from time to time incorporated in any thereof) to be used in the Mine or at the Loading Site, which are described or referred to in Schedules 3 and 6 hereto, or to any segment of any such assets that can be placed in service without regard to the completion of any other segment or segments of such asset, prior to the time, if any, when such assets or segments become Transferred or Leased Assets."

(d) Three new definitions as follows shall be added after the definition of Encumbrance:

"Escalation Asset means that portion, if any, of a Designated, Transferred or Leased Asset for which a Purchase Price has been paid or which has been previously demised under an Interim or Basic Lease Supplement and in respect of which an Escalation Charge shall have been paid. Each Escalation Asset shall be deemed to be an asset separate and apart from the Asset of which it is a portion for the purpose of computing the amount of Interim Rent, Basic Rent, Termination Value, Adjusted Termination Value, Optional Termination Value and Stipulated Loss Value."

"Escalation Charges means those amounts payable to a Vendor pursuant to a contract providing for adjustment

of the contract price for a Designated, Transferred or Leased Asset, such as (a) to reflect changes in specification specified increases in the Vendor's costs for such asset or (b) for changes due to final determination of quantities or amounts to reflect establishment of the total contract price payable to a Vendor or (c) pursuant to the settlement of a claim or claims by the Vendor for additional compensation with respect to such Asset, which settlement is mutually agreed to by the Vendor and Lessee on behalf of the Lessor."

"Escalation Payments means those amounts paid by Lessor to a Vendor in satisfaction of Escalation Charges or to Lessee in reimbursement for Escalation Charges paid by Lessee on Lessor's behalf in respect of an Escalation Asset."

(e) The definition of Leased Assets is hereby amended by adding a new sentence, as follows, at the end: "The term 'Leased Assets' shall also include Alteration Assets and Escalation Assets after the same are demised to Lessee under Interim or Basic Lease Supplements."

(f) The following new definition shall be added after the definition of Immediately Available Funds:

"Indemnified Investment Credit" means investment tax credit allowed pursuant to Section 38 of the Code for new section 38 property to the extent of (i) 7% of that portion of Lessor's Cost for each Transferred or Leased Asset (not exceeding 100%) which is equal to the

total Lessor's Cost of such Asset multiplied by a fraction, the numerator of which is \$70,000,000 and the denominator of which is the sum of Lessor's Cost for all Transferred or Leased Assets, and (ii) 10% of that portion of Lessor's Cost for each Transferred or Leased Asset which is equal to the total Lessor's Cost for such Asset multiplied by a fraction, the numerator of which is the excess of the sum of Lessor's Cost for all Transferred or Leased Assets over \$70,000,000 and the denominator of which is the sum of Lessor's Cost for all Transferred or Leased Assets."

(g) The definition of Pre-Purchase Advances is hereby amended by adding "and for costs of Alterations and Escalation Payments" after the second appearance of "Lessor".

(h) The definition of Purchase Price is hereby amended by adding a new sentence, as follows, at the end:

"Alteration and Escalation Assets shall be deemed to be separate Assets from those to which they relate or of which they are a portion."

(i) The definition of Transferred Assets is hereby amended by adding a new sentence, as follows, after the first sentence:

"The term 'Transferred Assets' shall also include Alteration Assets and Escalation Assets before the same are demised to Lessee under Interim or Basic Lease Supplements."

Paragraph 3. Amendment to Section 2. (a) Section 2 of each of the Leases is hereby amended by adding at the end of the paragraph captioned "(j) No Encumbrances" the following:

"except (i) a quiet title action must be brought for four parcels of land over which the railroad is being constructed, which actions Lessee reasonably believes will be successfully completed and (ii) two of the tracts referred to in (i) herein are also subject to the ownership in fee by two other persons each owning an undivided 1/36th interest in each of such tracts."

(b) Section 2 is further amended by adding at the end of the paragraph captioned "(l) Information as to Useful Lives" the following:

"and all subsequent information furnished by Lessee with respect to such serviceable lives and residual lives in connection with any Lessor Payment in respect of an Alteration Asset or an Escalation Asset will be true, complete and accurate and will represent Lessee's best informed judgment concerning such useful lives".

Paragraph 4. Amendments to Section 4. Section 4 of each of the Leases shall be amended as follows: Each reference to "\$70,000,000" shall be changed to "\$80,000,000".

Paragraph 5. Amendments to Section 6. Section 6(d)(v) of each of the Leases is hereby amended by deleting the words "court in the United States" therefrom and substituting in lieu thereof the phrase "court of competent jurisdiction in the State of New York".

Paragraph 6. Amendments to Section 8. Section 8 of each of the Leases is hereby amended in the following respects:

(1) Section 8(d)(iii) is hereby amended by adding immediately after the phrase "on each such Asset" therein the phrase "or will appear on each such Asset prior to use and prior to the time required by such governmental authorities".

(2) Section 8(d) is hereby further amended by adding immediately after paragraph (iii) thereof a new paragraph (iv) to read in its entirety:

"(iv) Stating the name and address of, and the amount to be paid to, each payee."

(3) Sections 8(f), (g), (h), (i) and (j) are relettered 8(h), (i), (j), (k) and (l) and the following new Sections 8(f) and 8(g) are added:

"(f) Additional Certificate as to Escalation Payments; Supplemental Invoices.

With respect to Escalation Payments to be made on such date, Lessor shall have received

(1) a certificate of an Authorized Lessee Representative dated such Quarterly Transfer Date:

(i) stating the name and address of, and the amount of Escalation Payments to be paid to, each payee;

(ii) identifying the Designated, Transferred or Leased Asset in respect of which payment is being made, the Schedule on which it is listed and the group of which it is a member;

(iii) stating that each such amount is properly payable as an Escalation Charge and is unpaid and whether or not such payment is a final payment in respect of the particular Asset in respect of which payment is being made and includes no payments relating to grading, excavating or otherwise altering the contour of any real estate nor any costs relating to footings, pilings, foundations, concrete pads or similar supports nor any costs of grouting.

(2) Copies of each Invoice or other evidence satisfactory to Lessor setting forth the Escalation Payments to be paid or reimbursed to Lessee.

(3) A reaffirmation by counsel for the Lessee of the opinion required by Section 8(e) hereof on payment of the Purchase Price with respect to each Asset in respect of which Escalation Payments are to be made.

(g) Additional Certificate as to Alterations; Opinion of Counsel. With respect to Alterations for which payment is to be made on such date, Lessor shall have received:

(1) a certificate of an Authorized Lessee Representative dated such Quarterly Transfer Date:

(i) stating the name and address of, and the amount to be paid to, each payee and specifying the portion thereof, if any, to be retained by Lessor pending further performance by the Vendor or for any other reason (specifying the same);

(ii) identifying the Designated, Transferred or Leased Asset in respect of which payment for Alterations is being made, the Schedule on which it is listed and the group of which it is a member;

(iii) briefly describing the nature of the Alteration and stating that the alterations, modifications and/or additions comprising such Alteration are "Alterations" within the meaning hereof;

(iv) stating that the cost of such Alterations does not include any costs relating to grading, excavating or otherwise altering the contour of any real estate nor any costs of or relating to footings, pilings, foundations, concrete pads or similar supports to which such Transferred or Leased Asset is attached nor any cost of grouting;

(v) stating that no part of the Alterations was made as a result of the requirements of Section 15 hereof, that each such amount is properly payable, is unpaid and whether or not it is a final payment in respect of the particular Alteration in respect of which payment is being made, that such Alteration does not adversely affect Lessor's title to the applicable Designated, Transferred or Leased Asset or diminish the value or utility of such

Designated, Transferred or Leased Asset below the value, utility and condition thereof prior to such Alteration (assuming such Designated, Transferred or Leased Asset was then in the condition required to be maintained by the Lease) or adversely affect the estimated serviceable life or residual value of such Designated, Transferred or Leased Asset; and

(vi) stating that such Asset is in compliance with the requirements of Section 8(d)(iii).

(2) Copies of each Invoice or other evidence satisfactory to Lessor setting forth the costs of the Alteration.

(3) A reaffirmation by counsel for the Lessee of the opinion required by Section 8(e) hereof on payment of the Purchase Price with respect to each Asset in respect of which payment for an Alteration is to be made and to the effect that good and marketable title to such Alteration is vested in Lessor free and clear of all Encumbrances, subject to the proviso in Section 8(e) hereof."

(4) The reference in Section 8(e) to Section 8(g) is changed to Section 8(i) and the reference in the penultima paragraph of Section 8 to "(h) and (i) above" is changed to "(j) and (k) above".

(5) The last paragraph of Section 8 is amended by changing "\$70,000,000" to "\$80,000,000".

Paragraph 7. Amendment to Section 10. Section 10 of each of the Leases is hereby amended as follows:

(a) The following shall be added in the sixth sentence after the words "Interim Term commenced":

"the expiration date for the Basic Term of each Alteration Asset and each Escalation Asset shall be the expiration date of the Basic Term of the Leased Asset of which such Alteration Asset is a portion or to which such Escalation Asset relates, as the case may be; and"

(b) The following shall be added in the seventh sentence after the words "January 1, 2007, as referred to above":

"or (iii) which is an Alteration Asset or an Escalation Asset the Basic Term of which commences at the time of or after the commencement of the Basic Term of the Leased Asset of which such Alteration Asset is a portion or to which such Escalation Asset relates, as the case may be,"

Paragraph 8. Amendment to Section 11. Section 11(b)(vi) of each of the Leases is hereby amended to add "and" after "operate" and to delete the last clause reading "and (D) is not subject to any retention of any portion of any Lessor Payment in respect thereof."

Paragraph 9. Amendment to Section 16. Section 16(b) of each of the Leases is hereby amended as follows: by adding after "expense" the words "(except in the case of Alterations in respect of which Lessor Payments are made pursuant to Section 8(g) hereof)," and by adding at the end the words "or adversely affects the estimated serviceable life or residual value of such Designated, Transferred or Leased Assets".

Paragraph 10. Amendment to Section 20.

(a) Section 20(a) of each of the Leases is amended by adding the following at the end thereof:

"Any such payments to Lessee which are not paid over to Vendors or in reimbursement of amounts paid by Lessee to Vendors on behalf of Lessor shall be forthwith applied by Lessee to the credit of amounts due from Hydro under provisions of the Coal Purchase Agreement other than Section 6.1 thereof. Any refunds received by Lessee from any Vendor shall be similarly applied."

(b) Section 20(b) of each of the Leases is amended by adding at the end the following:

"and provided still further, however, that subject to the limit of \$80,000,000 on total Lessor's Cost, Lessee shall not be required by this Section to pay Escalation

Charges or costs of Alterations which qualify for payment by Lessor pursuant to the terms of this Lease."

Paragraph 11. Amendment to Section 35. Section 35 is amended by adding in the first "provided, however" clause, after the word "excluded" the following:

"any franchise taxes or taxes based on, or measured by, net income imposed by the Commonwealth of Pennsylvania or any taxing authority thereof on, or measured by, any portion of Rent which is attributable to any excess of the aggregate amount of Lessor's Cost over \$70,000,000 or".

Paragraph 12. Amendment to Section 36. Section 36 of each of the Leases is hereby amended as follows:

(1) The first sentence of Subsection (a) is amended by deleting the words "full 7% investment credit allowed by Section 38 of the Code for 'new section 38 property'" and inserting in lieu thereof the words "Indemnified Investment Credit", changing the words "investment credit" to "Indemnified Investment Credit" throughout Subsection (a), and deleting the clause beginning with "provided, however," through the word "events:" and inserting in lieu thereof the following:

"and if the benefit of any portion of such Indemnified Investment Credit is allowed for a taxable year which is subsequent to the year for which it is initially claimed by the Lessor or such Owner Participant, the Lessee shall, subject to the provisions of Subsection (d) below, pay the Lessor or such Owner Participant the amount of any interest, penalties or additions to tax payable to the United States government by the Lessor or such Owner Participant as the result of the deferral of such benefit; provided, however, that the Lessee shall not be required to make such payments if such loss or such deferral results because of the occurrence of any of the following events:"

(2) The first sentence of Subsection (b) is amended by inserting at the end of clause (A), after the words "in effect", the following:

", such depreciation deductions to be computed on the assumptions that each Leased Asset (or any portion thereof) is placed in service on the date on which

such Leased Asset is placed under an Interim Lease Supplement or the date on which such Leased Asset is placed under a Basic Lease Supplement, whichever first occurs, and that depreciation for any portion of Lessor's Cost for such Leased Asset which is paid after such Leased Asset is placed in service shall commence when such portion of Lessor's Cost is paid by Lessor or such Owner Participants,"

Paragraph 13. Amendment to Section 41(k). Section 41(k) of each of the Leases is hereby amended by adding immediately after the phrase "of the Participation Agreement" in the last line thereof the phrase:

"; provided, however, that nothing in this Lease shall be deemed to prohibit the assignment by Lessee of any amounts receivable from Lessor or rights hereunder with respect thereto or the creation by Lessee of security interests therein to the extent that prohibitions thereof or requirements as to consent thereto are ineffective under mandatory provisions of law."

Paragraph 14. Amendment to Schedule 1 to Leases.

Schedule 1 to each of the Leases is hereby amended by inserting after the date "October 1, 1973" in the WHEREAS clause the phrase ", as amended on or prior to the date hereof".

Paragraph 15. Amendments to Schedules 3 and 6.

Schedule 3 and Schedule 6 to the Lease (not relating to surface railway rolling stock) are hereby amended as set forth in Schedules 3 and 6 attached hereto and incorporated herein in full by reference. In addition, Schedule 3 to each of the Leases and Schedule 6 of the Lease (not relating to surface railway rolling stock) shall each be deemed to include the following statement: "In addition to the Stipulated Loss, Termination and Optional Termination Values payable as prescribed on this Schedule, there shall be added to such amount payable such additional amount, if any, as shall be necessary to pay prepayment penalties, if any, incurred by Lessor under the Indenture."

Paragraph 16. Continuing Effect of Leases. Except as herein specifically amended, the terms of both of the Leases are hereby ratified and confirmed as being in full force and effect.

Paragraph 17. Chattel Paper. To the extent, if any, that this Amendment to either or both of the Leases constitutes chattel paper (as such term is defined in the Uniform

Commercial Code as in effect in any applicable jurisdiction) no security interest in this Amendment may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on the signature page thereof.

Paragraph 18. Effectiveness and Enforceability. These Amendments Number 1 shall be effective and enforceable upon the execution and delivery hereof by Lessor and Lessee and upon the execution and delivery of the consents, instructions and agreements appended hereto.

Paragraph 19. Counterparts. These Amendments Number 1 may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, these Amendments Number 1 have been duly executed by the undersigned, hereunto duly authorized on March 1, 1977 but are deemed to be retroactively effective as of October 1, 1973.

WHITKATH INC.

(SEAL)

By _____

UNITED STATES STEEL CORPORATION

(SEAL)

By _____

Attest: _____

CONSENT

Pursuant to Section 17B of the Participation Agreement dated as of October 1, 1973 (the "Participation Agreement") among Hydro, Lessee, Lessor, the Loan Participants (as named therein) and First National City Bank (now Citibank, N.A.), as Trustee (the "Trustee"), the undersigned hereby consents to the execution and delivery of the above Amendments Number 1 to the Leases.

For the purposes of the Coal Purchase Agreement, dated as of October 1, 1973, between Ontario Hydro and the Lessee, any references to the Lease in such document include the above Amendments Number 1 to the Leases.

Duly executed by the undersigned, hereunto duly authorized, on _____, 1977 but deemed to be retroactively effective as of October 1, 1973.

ONTARIO HYDRO

By _____

CONSENT AND INSTRUCTION

Pursuant to Section 17B of the Participation Agreement, the undersigned hereby consent to the execution and delivery of the above Amendments Number 1 to each of the Leases and, pursuant to Section 35.4 of the two Trust Indentures dated as of October 1, 1973 (the "Indentures") between Whitkath Inc. and the Trustee, hereby instruct the Trustee to agree to the execution and delivery of said Amendments Number 1.

This Consent and Instruction may be executed by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument.

Duly executed by the undersigned, hereunto duly authorized, on March 1, 1977 but deemed to be retroactively effective as of October 1, 1973.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By Edward A. [Signature]

~~John~~ President

THE TRAVELERS INSURANCE COMPANY

By [Signature]

Investment Officer

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By Paul H. Wilson

Paul H. Wilson, Assistant Secretary

AGREEMENT

Pursuant to the above instructions, Citibank, N.A. (formerly First National City Bank), as Trustee under the Indenture, hereby agrees to the execution and delivery of the above Amendments Number 1 to each of the Leases.

Duly executed by the undersigned, hereunto duly authorized, on _____, 1977 but deemed to be retroactively effective as of October 1, 1973.

CITIBANK, N.A.
as Trustee

By _____

Changes to Schedule 3 to the Lease (not
relating to surface railway rolling stock)
to delete the Mine Car Haulage System and
substitute the Conveyor Belt System

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
I		2. Mobile Equipment for Refuse Disposal	2. Mobile Equipment for refuse handling, maintenance and material and supply handling
III		7. Shuttle Cars	7. Shuttle Cars and Battery Powered Ram Cars
		10. Trace Tamper	10. Track Tamper
	14. Mainline Conveyors		
	15. Auxiliary Fans		
	16. Feeder Breakers		
	17. Shotcrete Machines		
IV		1. Mine Drainage, Pumps, Pumping Station and Water Treatment Facilities	1. Mine Drainage, Pumps, Pumping Station, Discharge Pipelines, and Water Treatment Facilities
		2. Slope Hoists, Air Fans, Substations and Fire Protection Facilities	2. Slope Hoists, Air Fans, Brake Cars, Substations and Fire Protection Facilities
		4. Slope Bottom Machine and Conveyors	4. Slope Bottom Machinery and Conveyors

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VI(a)		1. Thermal Dryer, including Pulverizers Firing Equipment, Blowers, Scrubbers and Stacks	1. Thermal Dryer, including Combustion Equipment, Blowers, Scrubbers and Stacks
VII(a)		1. 12-Ton Mine Cars 4. 54-Ton Locomotives 5. 20-Ton Locomotives 6. Equipment Dollies 7. Repair Equipment 8. Load Centers 9. Switch Gear 10. 600V DC Circuit Breakers 11. Disconnect Boxes 12. Cable Couplers 13. Trolley and Dial Telephones	1. Mine Cars 4. Supply Locomotives 5. Equipment Dollies 6. Repair Equipment 7. Load Centers 8. Switch Gear 9. Distribution Boxes 10. Cable Couplers 11. Trolley and Dial Telephones 12. Main Haulage (excluding Roof Support and Ventilation) 13. Raw Coal Handling Facilities including Rotary Breakers, Crusher, Feeders and Conveyor (excluding raw coal silos)

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VII (a)		14. Main Haulage (excluding Roof Support and Ventilation)	14. Preparation Plant - Coal Processing Equipment, Conveyor and Structure (excluding clean coal silo)
		15. Raw Coal Handling Facilities including Rotary Breakers, Crusher, Feeders and Conveyor (excluding raw coal silos)	15. Water Clarification Facilities including Thickener, Pumps and Lines and Effluent Treatment Facilities
		16. Preparation Plant - Coal Processing Equipment, Conveyors and Structure (excluding clean coal silo)	16. Preparation Plant Yard Piping and Water Storage Facilities
		17. Water Clarification Facilities including Thickener, Pumps and Lines, and Effluent Treatment Facilities	17. Electrical Power Distribution Facilities
	18. Shop Equipment	18. Preparation Plant Yard Piping and Water Storage Facilities	

Changes to Schedule 3 (Cont'd)

<u>Group</u>	<u>Add</u>	<u>Delete</u>	<u>Substitute</u>
VII(a)	19. Transfer Bin	19. Electrical Distribution Facilities	
	20. Surface and Slope Mine Track		
	21. Refuse Slurry and Pressure Filter Facilities		
	22. Water Tanks		