SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1994

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-9148

THE PITTSTON COMPANY
(Exact name of registrant as specified in its charter)

VIRGINIA	54-1317776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P.O. BOX 120070 100 FIRST STAMFORD PLACE, STAMFORD, CONNECTICUT (Address of principal executive offices)	06912-0070 (Zip Code)

(203) 978-5200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

41,583,785 shares of $1 par value Pittston Services Group Common Stock and 8,323,058 shares of $1 par value Pittston Minerals Group Common Stock as of May 6, 1994.

PART I - FINANCIAL INFORMATION
THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except per share amounts)

ASSETS	Mar. 31, 1994	Dec. 31, 1993
	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 47,456	32,412
Short-term investments, at lower of cost or market	23,413	22,946
Accounts receivable (net of estimated amount uncollectible: 1994 - $15,852; 1993 - $16,040)	311,265	296,543
Inventories, at lower of cost or market	37,267	24,155
Prepaid expenses	32,152	27,493
Deferred income taxes	55,889	53,642

Total current assets	507,442	457,191
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1994 - $363,161; 1993 - $412,533)	412,683	369,821
Intangibles, net of amortization	294,636	215,042
Deferred pension assets	116,482	117,066
Deferred income taxes	97,818	59,846
Coal supply contracts	100,884	35,462
Other assets	108,914	107,073
Total assets	$1,638,859	1,361,501

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 10,255	9,546
Current maturities of long-term debt	8,361	7,908
Accounts payable	228,027	182,276
Accrued liabilities	258,828	237,714
Total current liabilities	505,471	437,444
Long-term debt, less current maturities	155,804	58,388
Postretirement benefits other than pensions	215,516	212,218
Workers' compensation and other claims	147,375	127,545
Deferred income taxes	16,418	15,847
Other liabilities	232,082	156,547
Shareholders' equity:		
Preferred stock, par value $10 per share: Authorized: 2,000,000 shares $31.25 Series C Cumulative Convertible Preferred Stock: Issued: 1994 - 161,000 shares	1,610	-
Pittston Services Group common stock, par value $1 per share: Authorized: 100,000,000 shares Issued: 1994 - 41,563,951 shares; 1993 - 41,429,455 shares	41,564	41,429
Pittston Minerals Group common stock, par value $1 per share: Authorized 20,000,000 shares Issued: 1994 - 8,322,869 shares; 1993 - 8,280,619 shares	8,323	8,281
Capital in excess of par value	401,653	354,911
Retained earnings	30,815	98,290
Equity adjustment from foreign currency translation	(18,281)	(18,381)
Employee benefits trust, at market value	(99,491)	(131,018)
Total shareholders' equity	366,193	353,512
Total liabilities and shareholders' equity	$1,638,859	1,361,501

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended March 31	
	1994	1993
Net sales	$176,742	167,991
Operating revenues	411,053	363,757
Net sales and operating revenues	587,795	531,748
Cost of sales	189,781	157,835
Operating expenses	346,244	309,437
Special and other charges	90,806	-
Selling, general and administrative	55,250	53,883
Total costs and expenses	682,081	521,155
Other operating income	5,001	5,016
Operating profit (loss)	(89,285)	15,609
Interest income	656	780
Interest expense	(2,565)	(3,306)
Other income (expense), net	(2,335)	(137)
Income (loss) before income taxes	(93,529)	12,946
Provision (credit) for income taxes	(29,961)	4,790
Net income (loss)	(63,568)	8,156
Preferred stock dividends	(1,006)	-
Net income (loss) attributed to common shares	$(64,574)	8,156
Pittston Services Group:		
Net income attributed to common shares	$ 10,511	5,414
Net income per common share	$ .28	.15
Cash dividends per common share	$ .0500	.0455
Average common shares outstanding	37,662	36,558
Pittston Minerals Group:		
Net income (loss) attributed to common shares	$(75,085)	2,742
Net income (loss) per common share	$ (9.96)	.38
Cash dividends per common share	$ .1625	.1477
Average common shares outstanding	7,541	7,312

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Quarter Ended March 31	
	1994	1993
Cash flows from operating activities:		
Net income (loss)	$(63,568)	8,156
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Noncash charges and other write-offs	46,826	163
Depreciation, depletion and amortization	23,166	18,572
Provision (credit) for deferred income taxes	(30,619)	1,036
Provision (credit) for pensions, noncurrent	593	(582)
Provision for uncollectible accounts receivable	532	902
Equity in earnings of unconsolidated affiliates, net of dividends received	(1,437)	(1,672)
Other operating, net	138	506
Change in operating assets and liabilities net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(16,964)	(738)
Increase in inventories	(7,662)	(2,359)
Increase in prepaid expenses	(3,496)	(3,842)
Increase in accounts payable and accrued liabilities	23,613	6,476
Decrease (increase) in other assets	3,594	(2,950)
Increase (decrease) in other liabilities	18,090	(1,510)
Increase (decrease) in workers' compensation and other claims, noncurrent	15,196	(4,674)
Other, net	(192)	308
Net cash provided by operating activities	7,810	17,792
Cash flows from investing activities:		
Additions to property, plant and equipment	(19,420)	(31,798)
Property, plant and equipment pending lease financing	(640)	(2,688)
Disposal of property, plant and equipment	443	825
Acquisitions and related contingent payments	(157,308)	(35)
Other, net	11,319	8,064
Net cash used by investing activities	(165,606)	(25,632)
Cash flows from financing activities:		
Additions to debt	101,167	10,667
Reductions of debt	(4,855)	(1,959)
Repurchase of common stock of the Company	(270)	(1,105)
Proceeds from exercise of stock options	2,927	1,007
Proceeds from preferred stock issuance, net of cash expenses	77,578	-
Cost of Services Stock Proposal	(4)	-
Proceeds from the sale of stock to SIP	-	129
Dividends paid	(3,703)	(2,739)
Net cash provided by financing activities	172,840	6,000
Net increase (decrease) in cash and cash equivalents	15,044	(1,840)
Cash and cash equivalents at beginning of period	32,412	30,340
Cash and cash equivalents at end of period	$ 47,456	28,500

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands of dollars, except per share amounts)

(1) On July 26, 1993, the shareholders of The Pittston Company (the "Company") approved the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, resulting in the reclassification of the Company's common stock into shares of Pittston Services Group Common Stock ("Services Stock") on a share-for-share basis. In addition, a second class of common stock, designated as Pittston Minerals Group Common Stock ("Minerals Stock") was distributed on a basis of one-fifth of one share of Minerals Stock for each share of the Company's previous common stock. The Pittston Services Group (the "Services Group") consists of the Burlington Air Express Inc. ("Burlington"), Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of the Company. The Pittston Minerals Group (the "Minerals Group") consists of the Coal and Mineral Ventures operations of the Company. The approval of the Services Stock Proposal did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. The Company prepares separate financial statements for the Minerals and Services Groups in addition to consolidated financial information of the Company.

Due to the reclassification of the Company's common stock, all stock and per share data in the accompanying financial statements for the period prior to the reclassification have been restated from amounts previously reported. The primary impacts of this restatement are as follows:

* Net income per common share has been restated in the Consolidated Statements of Operations to reflect the two classes of stock, Services Stock and Minerals Stock, as if they were outstanding for all periods presented. For the purposes of computing net income per common share of Services Stock and Minerals Stock, the number of shares of Services Stock are assumed to be the same as the total corresponding number of shares of the Company's common stock. The number of shares of Minerals Stock are assumed to be one-fifth of the shares of the Company's common stock.

* All financial impacts of purchases and issuances of the Company's common stock prior to the effective date of the Services Stock Proposal have been attributed to each Group in relation of their respective common equity to the Company's common stock. Dividends paid by the Company were attributed to the Services and Minerals Groups in relation to the initial dividends paid on the Services Stock and the Minerals Stock.

For 1993, all stock activity (including dividends) prior to the Services Stock Proposal has been attributed to the Services Group and the Minerals Group based on the methods described above.

(2) The amounts of depreciation, depletion and amortization of property, plant and equipment in the first quarters of 1994 and 1993 were $17,356 and $15,237, respectively.

(3) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	First Quarter	
	1994	1993
Interest	$ 3,066	3,313
Income taxes	$ 6,947	9,233

During the three months ended March 31, 1994, the Company acquired one business for an aggregate purchase price of $157,245. See Note 4.

During the three months ended March 31, 1994 and 1993, capital

lease obligations of $1,204 and $10, respectively, were incurred for leases of property, plant and equipment.

(4) On January 14, 1994, a wholly owned indirect subsidiary of the Company completed the acquisition of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. for $157,245. The acquisition has been accounted for as a purchase; accordingly, the purchase price has been allocated to the underlying assets and liabilities based on their respective estimated fair values at the date of acquisition. Based on preliminary estimates, subject to finalization by year-end, the fair value of assets acquired was $180,592 and liabilities assumed was $104,912. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed was $81,565 and is being amortized over a period of forty years. The results of operations of the acquired company have been included in the Company's results of operations since the date of acquisition.

The acquisition was financed by the issuance of $80.5 million of a new series of the Company's preferred stock convertible, into Minerals Stock, and additional debt under existing credit facilities. This financing has been attributed to the Minerals Group. In March 1994, the additional debt incurred for this acquisition was refinanced with a five-year term loan.

The following pro forma results, however, assume that the acquisition and related financing had occurred at the beginning of the periods presented. The unaudited pro forma data below are not necessarily indicative of results that would have occurred if the transaction was in effect for the quarters ended March 31, 1994 and 1993, nor are they indicative of the future results of operations of the Company.

	Pro Forma Quarter Ended March 31	
	1994	1993
Net sales and operating revenues	$597,721	589,830
Net income (loss)	$(63,144)	9,765
Pittston Services Group:		
Net income attributed to common shares	$ 10,511	5,414
Net income per common share	$ .28	.15
Average common shares outstanding	37,662	36,558
Pittston Minerals Group:		
Net income (loss) attributed to common shares	$(74,913)	3,093
Net income (loss) per common share	$ (9.93)	.42
Average common shares outstanding	7,541	7,312

(5) The Company has authority to issue up to 2,000,000 shares of preferred stock, par value $10 per share. In January 1994, the Company issued 161,000 shares of its $31.25 Series C Cumulative Convertible Preferred Stock, par value $10 per share (the "Convertible Preferred Stock"). The Convertible Preferred Stock pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, as and if declared by the Board of Directors of the Company, and bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon. Each share of the Convertible Preferred Stock is convertible at the option of the holder at any time after March 11, 1994, unless previously redeemed or,

under certain circumstances, called for redemption, into shares of Minerals Stock at a conversion price of $32.175 per share of Minerals Stock, subject to adjustment in certain circumstances. Except under certain circumstances, the Convertible Preferred Stock is not redeemable prior to February 1, 1997. On and after such date, the Company may at its option, redeem the Convertible Preferred Stock, in whole or in part, for cash initially at a price of $521.875 per share, and thereafter at prices declining ratably annually on each February 1 to an amount equal to $500.00 per share on and after February 1, 2004, plus in each case an amount equal to accrued and unpaid dividends on the date of redemption. Except under certain circumstances or as prescribed by Virginia law, shares of the Convertible Preferred Stock are nonvoting. Other than the Convertible Preferred Stock no shares of preferred stock are presently issued or outstanding.

(6) During the 1994 first quarter, the Company incurred pre-tax charges of $90.8 million ($58.1 million after-tax) for asset writedowns and accruals for costs related to facilities which are being closed including contractually or statutorily required employee severance and other benefit costs.

(7) On April 15, 1994, the Company redeemed all of the $27,811 of 9.2% Convertible Subordinated Debentures due July 1, 2004, at a premium of $767. The premium and other charges related to the redemption have been included in the Consolidated Statement of Operations as other expenses.

(8) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Company and the BHS segment for the first three months of 1994 and 1993 by $1,120 and $874, respectively. The effect of this change increased net income per common share of the Services Group for the first three months of 1994 and 1993 by $.02 and $.01, respectively.

(9) Certain prior period amounts have been reclassified to conform to current period financial statement presentation.

(10) All adjustments have been made which are, in the opinion of management, necessary to a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

THE PITTSTON COMPANY AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

	Quarter Ended March 31	
	1994	1993
Revenues:	(In thousands)	
Burlington	$ 261,484	230,885
Brink's	123,765	112,023
BHS	25,804	20,849
Coal	173,416	163,985
Mineral Ventures	3,326	4,006
Consolidated revenues	$ 587,795	531,748
Operating profit (loss):		
Burlington	$ 9,010	1,474
Brink's	6,133	6,419
BHS	7,566	6,369
Coal	(107,839)	5,539
Mineral Ventures	(246)	366

Segment operating profit (loss)	(85,376)	20,167
General corporate expense	(3,909)	(4,558)
Consolidated operating profit (loss)	(89,285)	15,609
Interest income	656	780
Interest expense	(2,565)	(3,306)
Other income (expense), net	(2,335)	(137)
Income (loss) before income taxes	(93,529)	12,946
Provision (credit) for income taxes	(29,961)	4,790
Net income (loss)	$ (63,568)	8,156

RESULTS OF OPERATIONS

In the first quarter of 1994, The Pittston Company (the "Company") reported a net loss of $63.6 million compared with net income of $8.2 million in the first quarter of 1993. The decrease was attributable to the Coal segment whose results included charges for asset writedowns, accruals for costs related to facilities which are being closed and operating losses incurred related to these facilities, which in the aggregate reduced operating profit and net income by $97.5 million and $63.4 million, respectively. Net income in the 1994 first quarter was positively impacted by improved operating results for Burlington Air Express Inc. ("Burlington") and Brink's Home Security, Inc. ("BHS"), lower general corporate expenses and decreased net interest expense, partially offset by decreased operating results for Brink's, Incorporated ("Brink's") and Mineral Ventures and higher nonoperating expenses compared with the same period of last year. The first quarter of 1993 was adversely affected by a one-time coal litigation charge and a corporate charge related to the Company's then proposed reclassification of its common stock into two classes.

Burlington

Burlington reported an operating profit of $9.0 million in the 1994 first quarter, a $7.5 million increase over the $1.5 million profit reported in the first quarter of 1993. Worldwide revenues rose 13% to $261.5 million in the current year quarter from $230.9 million in the prior year first quarter. The $30.6 million increase in revenues resulted principally from higher volume in both domestic and international markets. Increased revenues from higher volumes were partially offset by lower average yields (revenues per pound). Total weight shipped worldwide increased 17% to 275.6 million pounds in the 1994 first quarter from 235.9 million pounds in the same period a year earlier. Operating expenses and selling, general and administrative expenses increased $22.2 million and $1.2 million, respectively, in the 1994 first quarter compared with the prior year quarter. The increase in operating expenses largely resulted from the increased volume of business. The increase in operating profit, resulting from increased revenues exceeding increased operating expenses, for the comparable period is almost entirely attributable to increased Americas' operating profit of $7.3 million. Foreign operating profit increased $.2 million compared with the prior year first quarter.

Americas' operating profit benefitted from domestic volume increases of which a significant portion was from increased auto and electronics industry shipments. Although export volumes also increased, U.S. exports have been impacted by competitors focus on international freight with aggressive pricing on new business. Americas' operating profit also benefitted from lower fuel costs, the use of more efficient aircraft placed in service during the first half of 1993 and increased capacity as a result of the fourth quarter 1993 expansion of its airfreight hub in Toledo, Ohio, which assisted in achieving greater efficiency. These operations achieved improved results despite service interruptions and increased costs due to adverse weather conditions. The severe winter weather caused airport shutdowns as well as increased mechanical problems. Gains from increased volume of business and efficiencies for Americas' operations were partially offset by decreased average yields in the 1994 first quarter. Average yields continue to reflect a highly competitive pricing environment. While pricing stabilized during the 1994 first quarter, such prices were at reduced levels from those attained in the 1993 first quarter.

Gross profit from Intra-America business increased $10.2 million (30%)

compared with the prior year quarter as a 7% decrease in average costs per pound and a 23% increase in weight shipped was only partially offset by a 3% decrease in average yields. Export gross profit increased $.2 million (2%) as a 5% decrease in average costs per pound and an 8% increase in weight shipped was partially offset by a 6% decrease in average yields. Americas' operating profit also included a $1.2 million increase in profit from imports and charter business offset by $4.3 million higher station and corporate support group costs.

Operating results of foreign operations in the current year quarter increased $.2 million, also benefitting from increased volumes. The impact of increased volumes was partially offset by lower yields, increased airline costs where the market capacity is constrained as well as additional costs incurred in connection with offering complete global logistics services.

Brink's
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Brink's operating profit decreased $.3 million to $6.1 million in the first quarter of 1994 from $6.4 million in the first quarter of 1993 with an increase in revenues of $11.7 million, offset by increases in operating expenses and selling, general and administrative expenses of $11.5 million and a decrease in other operating income of $.5 million. North American operating profits increased by $1.1 million to $4.5 million for the 1994 first quarter compared with the same period last year, despite the adverse impacts of the severe winter weather and the southern California earthquake. Earnings from international subsidiaries and affiliates decreased $1.4 million to $1.7 million for the same comparative period.

The increase in revenues was almost entirely due to North American operations and largely from armored car and ATM operations. The increase in operating profit for North American operations, however, was largely attributable to North American air courier operations, which increased $.9 million resulting from strong volumes of currency and precious metals shipments. Despite strong revenues, North American armored car operating profits decreased compared with 1993 results due to adverse weather conditions, the California earthquake, a low level of special shipments and increased insurance costs. Results for Canadian operations continued to improve throughout the 1994 first quarter largely due to cost efficiencies, growth in the ATM line of business and service area withdrawals by a competitor.

The decrease in operating earnings from international subsidiaries and affiliates was primarily due to unfavorable results in Mexico and Brazil. Equity in earnings of foreign affiliates, which is included in other operating income, decreased $.3 million. Unfavorable results from Brink's Mexican affiliate, in which Brink's has a 20% equity interest, reflected the impact of the local economic recession, restructuring costs which included employee severance costs, and strengthening competition. Brink's Brazil, a wholly-owned subsidiary, reported an operating loss of $.6 million compared with income of $.4 million in the prior year first quarter. The 1994 first quarter loss reflected the costs of extra security measures made necessary by the significant increase in armed robberies at Brink's and its competitors as well as the industry-wide strike in Rio de Janeiro which was intended to focus government attention on the security problem.

BHS
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Operating profit of BHS increased $1.2 million to $7.6 million in the first quarter of 1994 from $6.4 million in the prior year quarter. The operating profit increase was primarily due to a $1.8 million increase in monitoring margin, only partially offset by a $.4 million increase in installation expenses and a $.2 million increase in account servicing and administrative costs. The increase in the monitoring margin reflects 20% higher monitoring revenues and a 21% higher average subscriber base in the first quarter of 1994 compared with the prior year quarter. Net new subscribers totaled 16,300 in the first quarter of 1994 compared with 9,900 in the first quarter of 1993. Subscribers at March 31, 1994 totaled 275,900.

Foreign Operations
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A portion of the Company's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the

Company are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Company's international activity is not concentrated in any single currency, which limits the risks of foreign rate fluctuations. In addition, foreign currency rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Company routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company uses foreign exchange forward contracts to hedge the risks associated with certain transactions denominated in currencies other than the functional currency. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, cumulative translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Brink's subsidiaries in Brazil and Israel operate in such highly inflationary economies.

Additionally, the Company is subject to other risks customarily associated with doing business in foreign countries, including economic conditions, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Company cannot be predicted.

Coal
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Coal operations had an operating loss totaling $107.8 million in the first quarter of 1994 compared with an operating profit of $5.5 million in the year earlier quarter. The 1994 first quarter coal operating loss included $90.8 million of charges for asset writedowns and accruals for costs related to facilities which are being closed and $6.7 million of operating losses incurred during the first quarter related to those facilities. Coal's ongoing operations incurred losses of $10.3 million in the 1994 first quarter. The decrease compared with prior year operating results reflected the adverse impact of the severe winter weather which particularly hampered surface mine production and river transportation. The 1994 first quarter included the operating results from substantially all the coal mining operations and coal sales contracts of Addington Resources, Inc. ("Addington"), which acquisition was completed by the Minerals Group on January 14, 1994.

Sales volume of 6.1 million tons for the 1994 first quarter was 13% or .7 million tons greater than sales volume in the 1993 first quarter. Coal produced and purchased totaled 6.3 million tons for the 1994 first quarter, an 18% or 1.0 million ton increase over the 1993 first quarter. Coal sales and produced/purchased in the first quarter of 1994 attributable to Addington operations amounted to 1.4 million tons and 1.6 million tons, respectively.

In the 1994 first quarter, 38% of total production was derived from deep mines and 62% was derived from surface mines compared with 62% and 38% of deep and surface mine production, respectively, in the first quarter of 1993.

Both production and sales in the 1994 first quarter were impacted by the extreme cold weather and above-normal precipitation. Production was hampered not only by a large number of lost production days, but also by the continuing interruptions which limited output efficiencies during periods of performance. Sales suffered due to lost loading days and were impeded by closed and restricted road accessibility. Sales were further impacted by the lack of rail car availability and the disruption of river barge service initially due to frozen waterways and subsequently due to the heavy snow melt and rain, which raised the rivers above operational levels. The severe weather also reduced output from purchased coal suppliers, which hindered the ability to meet customer shipments during the period. In addition to weather related difficulties, operations in the 1994 first quarter were affected by lost business due to a utility customer's plant closure and production shortfalls due to withdrawal of contractors from the market.

Average coal margin (realization less current production costs of coal sold), which was a loss of $1.02 per ton for the current year quarter, decreased $3.81 per ton from the prior year first quarter with a 3.8% or $1.13 per ton decrease in average realization and a 10.0% or $2.68 per ton increase in average current production costs of coal sold.

The increase in average current production costs was primarily caused by the previously mentioned adverse weather conditions, which significantly reduced planned production, and unusually high costs incurred at mines which are being closed.

The metallurgical coal markets continued their long-term decline with price reductions of $3.85 per ton negotiated early in the year between Canadian and Australian producers and Japanese steel mills. The Coal Operations recently reached agreement with its major Japanese steel customers for new three-year contracts for metallurgical coal shipments. Such agreements replace sales contracts which expired on March 31, 1994. Pricing under the new agreements for the coal year beginning April 1, 1994 was impacted by the price reductions accepted by foreign producers, but is largely offset by modifications in coal quality specification which allows the Coal Operation flexibility in sourcing and blending the coals. The net margin for coal sold under such agreements is expected to decrease less than $1 a ton for the current contract year. Negotiations continue with certain customers in Europe and Brazil. Although the outcome of these negotiations is uncertain they are expected to result in potential margin reductions from no change up to $1 per ton. Sales of metallurgical coal are expected to decrease.

As a result of the continuing long-term decline in the metallurgical coal markets, which is evidenced by the recent severe price reductions, the Coal Operation is accelerating its strategy of decreasing its exposure to these markets by reducing its metallurgical coal production and increasing its production and sales of lower cost surface minable steam coal. After a review of the economic viability of the remaining metallurgical coal assets, certain underground mines are being closed resulting in significant economic impairment of the related preparation plants. In addition, one surface steam coal mine, the Heartland mine, is being closed due to rising costs caused by unfavorable geological conditions. The $90.8 million in charges to operating earnings in the 1994 first quarter included a reduction in the carrying value of these assets and related accruals for mine closure costs. These charges included asset writedowns of $46.5 million, mine closing costs, including reclamation expenses, estimated at $23.1 million and contractually or statutorily required employee severance and other benefit costs estimated at $21.2 million. Of the total charges, liabilities which are expected to be paid within one year total $16.8 million with the balance over the next several years. Operating results for the remainder of 1994 and thereafter should benefit from these measures, the continued integration of Addington operations, the planned expansion of surface mine operations and cost reductions resulting from personnel cutbacks and the realignment of administrative duties which were put in place at the end of the 1994 first quarter.

The Coal Operation's principal labor agreement with the UMWA expires on June 30, 1994. The Company expects a replacement contract will be submitted for a ratification vote prior to expiration of the existing contract.

Operating profit in the first quarter of 1993 was negatively impacted by a $1.8 million charge to settle litigation related to the moisture content of tonnage used to compute royalty payments to the UMWA pension and benefit funds during the period ending February 1, 1988. The effect of these costs were offset by strong production, good productivity, a solid performance at certain surface mining operations in Virginia and Kentucky and favorable labor related expenses during the period.

Mineral Ventures
- - ----------------

Operating profit of Mineral Ventures decreased $.6 million in the 1994 first quarter to an operating loss of $.2 million, from an operating profit of $.4 million in the prior year first quarter. The decrease in operating profit principally reflects increased exploration costs in Australia and Nevada as well as lower production at the Stawell gold mine. The production shortfall at the Stawell mine was largely due to an operator accident during the 1994 first quarter, which also resulted in higher operating costs for the period. The Stawell gold mine, in which Mineral Ventures has a 67% net equity interest, produced 16,855 ounces in the 1994 first quarter compared with 18,765 ounces in the comparable 1993 period. A joint venture in which Mineral Ventures also has a net 67% equity interest continued gold exploration in Nevada and Australia during the 1994 first quarter.

Other Operating Income

- - ----------

Other operating income for the first quarter of 1994 remained unchanged from the $5.0 million recognized in the year earlier quarter. Other operating income principally includes the Company's share of net income of unconsolidated affiliates, which are substantially attributable to equity affiliates of Brink's, and royalty income from coal and natural gas properties.

Corporate Expenses
- - ----------

General corporate expenses decreased $.7 million to $3.9 million for the 1994 first quarter from $4.6 million for the 1993 first quarter. Expenses in the 1993 first quarter were greater than those in the current year quarter due to costs incurred in the 1993 period related to the Company's then proposed reclassification of its common stock into two classes.

Interest Expense
- - ----------

Interest expense for the first quarter of 1994 decreased by $.7 million to $2.6 million from $3.3 million in the first quarter of 1993. Interest expense in the first quarter of 1993 included interest assessed on settlement of coal litigation related to the moisture content of tonnage used to compute royalty payments to UMWA pension and benefit funds. Interest expense for the 1994 first quarter was also affected by increased expense due to higher average borrowings under revolving credit facilities resulting from the Addington acquisition offset by lower interest expense resulting from early payment of a term loan which occurred during the 1993 second quarter.

Other Income (Expense), Net
- - ----------

Other net expense for the first quarter of 1994 increased $2.2 million to a net expense of $2.3 million from $.1 million in the first quarter of 1993. This included expenses of $1.2 million recognized on the Company's redemption of its 9.2% Convertible Subordinated Debentures.

FINANCIAL CONDITION
- - ----------

Cash Provided by Operations
- - ----------

Cash provided by operating activities during the first three months of 1994 totaled $7.8 million compared with $17.8 million in the first three months of 1993. Operations provided less cash in the 1994 period due to the integration of operating activities of Addington which required cash to finance working capital needs since acquisition. Net income, noncash charges and changes in operating assets and liabilities in the 1994 first quarter were significantly affected by after-tax special and other charges of $58.1 million which had no effect in the first quarter on cash generated by operations. Of the total $90.8 million of 1994 first quarter pre-tax charges, $46.5 million was for noncash writedowns of assets and the remainder represents liabilities, of which $16.8 million are expected to be paid within one year with the balance over the next several years.

Capital Expenditures
- - ----------

Cash capital expenditures for the first three months of 1994 totaled $19.4 million. Of that amount, $2.4 million was spent by Coal, $.3 million was spent by Mineral Ventures, $5.2 million was spent by Burlington, $3.0 million was spent by Brink's and $8.5 million was spent by BHS. Expenditures incurred by BHS in the 1994 first quarter were primarily for customer installations, representing the expansion in the subscriber base. For the full year 1994, capital expenditures are estimated to approximate $95 million. The foregoing amounts exclude equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures.

Other Investing Activities
- - ----------

All other investing activities in the 1994 first quarter used net cash of $146.2 million. In January 1994, the Company paid approximately

$157 million in cash for the acquisition of substantially all the coal mining operations and coal sales contracts of Addington. The purchase price of the acquisition was financed through the issuance of $80.5 million of a new series of convertible preferred stock, which is convertible into Pittston Minerals Group Common Stock, and additional debt under revolving credit agreements.

Financing
- - ---------

The Company intends to fund its capital expenditure requirements during the remainder of 1994 primarily with anticipated cash flows from operating activities and through operating leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements. In March 1994, the Company entered into a $350 million revolving credit agreement with a syndicate of banks (the "New Facility"), replacing the Company's previously existing $250 million of revolving credit agreements. The New Facility includes a $100 million five-year term loan, which matures in March 1999. The New Facility also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250 million until March 1999. As of March 31, 1994, borrowings of $100 million were outstanding under the five-year term loan portion of the New Facility with no additional borrowings outstanding under the remainder of the facility.

Debt
- - ----

Outstanding debt, including borrowings under revolving credit agreements, aggregated $174.4 million at March 31, 1994, up from $75.8 million at year-end 1993. Cash generated from operating activities and net cash proceeds from the issuance of preferred stock were not sufficient to fund capital expenditures and the Addington acquisition, resulting in additional borrowings under the Company's revolving credit agreements.

On April 15, 1994, the Company redeemed all outstanding 9.2% Convertible Subordinated Debentures due July 1, 2004. The principal amount outstanding was $27.8 million and the premium paid to call the debt totaled $.8 million. The Company used cash provided under its revolving credit agreements to redeem the debentures. The premium paid in addition to other charges related to the redemption were accrued at March 31, 1994 and were included in the Company's Consolidated Statement of Operations.

Capitalization
- - --------------

In January 1994, the Company issued $80.5 million (161,000 shares) of a new series of preferred stock, convertible into Minerals Stock. The convertible preferred stock pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, as and if declared by the Board of Directors of the Company, which commenced March 1, 1994, and bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

As of March 31, 1994, debt as a percent of capitalization (total debt and shareholders' equity) was 32%, compared with 18% at December 31, 1993. The increase since December 1993 is largely due to the additional debt incurred under the New Facility to finance the Addington acquisition. The increase in equity as a result of the issuance of preferred stock was largely offset by the net loss incurred for the quarter ended March 31, 1994.

The Board of Directors of the Company in 1993 authorized the repurchase of up to 1,250,000 shares of Pittston Services Group Common Stock ("Services Stock") and 250,000 shares of Pittston Minerals Group Common Stock ("Minerals Stock"). As of March 31, 1994, a total of 22,600 shares of Services Stock and 31,500 shares of Minerals Stock had been acquired pursuant to the authorization. Of those amounts, 22,600 shares of Services Stock and 12,700 shares of Minerals Stock were repurchased in the first quarter of 1994 at an aggregate cost of $.8 million, of which $.5 million was paid subsequent to the end of the quarter.

Dividends
- - ---------

The Board of Directors intends to declare and pay dividends on

Services Stock and Minerals Stock based on earnings, financial condition, cash flow and business requirements of the Services Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by one Group could affect the Company's ability to pay dividends in respect of stock relating to the other Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount as defined in the Company's Articles of Incorporation.

During the first quarter of 1994, the Board of Directors declared and paid cash dividends of 5 cents per share of Services Stock and 16.25 cents per share of Minerals Stock. On an equivalent basis, during the 1993 first quarter the Company paid dividends of 4.6 cents per share and 14.8 cents per share for Services Stock and Minerals Stock, respectively. Dividends paid on the cumulative convertible preferred stock in the 1994 first quarter totaled $.6 million.

PITTSTON SERVICES GROUP
BALANCE SHEETS
(In thousands of dollars)

ASSETS	Mar. 31, 1994	Dec. 31, 1993
Current assets:	(Unaudited)	
Cash and cash equivalents	$ 45,383	30,271
Short-term investments, at lower of cost or market	2,173	1,881
Accounts receivable (net of estimated amount uncollectible: 1994 - $13,556; 1993 - $13,745)	213,139	211,565
Receivable - Pittston Minerals Group	4,574	-
Inventories, at lower of cost or market	4,101	3,235
Prepaid expenses	17,359	19,258
Deferred income taxes	23,332	22,919
Total current assets	310,061	289,129
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1994 - $214,467; 1993 - $207,086)	194,560	188,076
Intangibles, net of amortization	212,084	213,634
Deferred pension assets	41,426	42,425
Deferred income taxes	1,274	839
Other assets	69,908	72,838
Total assets	$829,313	806,941
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 10,255	9,546
Current maturities of long-term debt	8,057	7,878
Accounts payable	140,466	131,893
Payable - Pittston Minerals Group	-	19,098
Accrued liabilities	113,143	113,293
Total current liabilities	271,921	281,708
Long-term debt, less current maturities	78,472	58,109
Postretirement benefits other than pensions	5,441	4,802
Workers' compensation and other claims	9,015	9,043
Deferred income taxes	34,557	33,727
Payable - Pittston Minerals Group	14,709	14,709
Other liabilities	26,609	26,474
Shareholder's equity	388,589	378,369
Total liabilities and shareholder's equity	$829,313	806,941

See accompanying notes to financial statements.

PITTSTON SERVICES GROUP
STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended March 31	
	1994	1993
Operating revenues	$411,053	363,757
Operating expenses	346,244	309,437
Selling, general and administrative expenses	46,363	44,865
Total costs and expenses	392,607	354,302
Other operating income	2,048	2,209
Operating profit	20,494	11,664
Interest income	622	481
Interest expense	(1,769)	(2,328)
Other income (expense), net	(2,116)	(150)
Income before income taxes	17,231	9,667
Provision for income taxes	6,720	4,253
Net income	$ 10,511	5,414
Per Pittston Services Group Common Share:		
Net income	$ .28	.15
Cash dividends	$ .0500	.0455
Average shares outstanding of Pittston Services Group Common Stock	37,662	36,558

See accompanying notes to financial statements.

PITTSTON SERVICES GROUP
STATEMENTS OF CASH FLOWS
(In thousands of dollars)
(Unaudited)

	Quarter Ended March 31	
	1994	1993
Cash flows from operating activities:		
Net income	$10,511	5,414
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash charges and other write-offs	339	11
Depreciation and amortization	12,973	12,074
Provision for deferred income taxes	276	193
Provision for pensions, noncurrent	1,008	63
Provision for uncollectible accounts receivable	502	879
Equity in earnings of unconsolidated affiliates, net of dividends received	(1,530)	(1,614)
Other operating, net	301	417
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(2,076)	1,450
Increase in inventories	(866)	(410)
Increase in prepaid expenses	(266)	(3,112)
Increase (decrease) in accounts payable and accrued liabilities	7,928	(7,338)
Decrease (increase) in other assets	3,231	(2,571)
Decrease in other liabilities	(1,619)	(15)
Other, net	(114)	325
Net cash provided by operating activities	30,598	5,766
Cash flows from investing activities:		
Additions to property, plant and equipment	(16,754)	(20,015)
Property, plant and equipment pending lease financing	2,047	(730)
Disposal of property, plant and equipment	267	681
Acquisitions and related contingent payments	(63)	(16)
Other, net	2,079	(401)
Net cash used by investing activities	(12,424)	(20,481)
Cash flows from financing activities:		
Additions to debt	24,601	10,667
Reductions of debt	(4,327)	(1,959)
Borrowings (repayments) - Minerals Group	(23,672)	3,544
Repurchase of common stock	-	(921)
Proceeds from exercise of stock options	2,151	839
Proceeds from the sale of stock to SIP	-	108
Proceeds from sale of stock to Minerals Group	74	-
Dividends paid	(1,887)	(1,660)
Cost of Services Stock Proposal	(2)	-
Net cash from the Company	-	2,189
Net cash provided (used) by financing activities	(3,062)	12,807
Net increase (decrease) in cash and cash equivalents	15,112	(1,908)
Cash and cash equivalents at beginning of period	30,271	28,350
Cash and cash equivalents at end of period	$45,383	26,442

See accompanying notes to financial statements.

PITTSTON SERVICES GROUP
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(In thousands of dollars, except per share amounts)

(1) The approval on July 26, 1993 (the "Effective Date"), by the shareholders of The Pittston Company (the "Company") of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, resulted in the reclassification of the Company's common stock. The outstanding shares of Company common stock were redesignated as Pittston Services Group Common Stock ("Services Stock") on a share-for-share basis and a second class of common stock, designated as Pittston Minerals Group Common Stock ("Minerals Stock"), was distributed on the basis of one-fifth of one share of Minerals Stock for each share of the Company's previous common stock held by shareholders of record on July 26, 1993. Minerals Stock and Services Stock provide shareholders with separate securities reflecting the performance of the Pittston Minerals Group (the "Minerals Group") and the Pittston Services Group (the "Services Group") respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting either Group. Accordingly, all stock and per share data prior to the reclassification have been restated to reflect the reclassification. The primary impacts of this restatement are as follows:

* Net income per common share has been included in the Statements of Operations. For the purpose of computing net income per common share of Services Stock, the number of shares of Services Stock prior to the Effective Date are assumed to be the same as the total number of shares of the Company's common stock.

* All financial impacts of purchases and issuances of the Company's common stock have been attributed to each Group in relation of their respective common equity to the Company's common stock. Dividends paid by the Company were attributed to the Services and Minerals Groups in relation to the initial dividends paid on the Services Stock and the Minerals Stock.

The Company, at any time, has the right to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. In addition, upon the sale, transfer, assignment or other disposition, whether by merger, consolidation, sale or contribution of assets or stock or otherwise, of all or substantially all of the properties and assets of the Minerals Group to any person, entity or group (with certain exceptions), the Company is required to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. Shares of Services Stock are not subject to either optional or mandatory exchange.

Holders of Services Stock have one vote per share. Holders of Minerals Stock have one vote per share subject to adjustment on January 1, 1996, and on each January 1 every two years thereafter based upon the relative fair market values of one share of Minerals Stock and one share of Services Stock on each such date. Accordingly, beginning on January 1, 1996, each share of Minerals Stock may have more than, less than or continue to have exactly one vote. Holders of Services Stock and Minerals Stock vote together as a single voting group on all matters as to which all common shareholders are entitled to vote. In addition, as prescribed by Virginia law, certain amendments to the Company's Restated Articles of Incorporation affecting, among other things, the designation, rights, preferences or limitations of one class of common stock, or any merger or statutory share exchange, must be approved by the holders of such class of common stock, voting as a separate voting group, and, in certain circumstances, may also have to be approved by the holders of the other class of common stock, voting as a separate voting group.

In the event of a dissolution, liquidation or winding up of the Company, the holders of Services Stock and Minerals Stock will receive the funds remaining for distribution, if any, to the

common shareholders on a per share basis in proportion to the total number of shares of Services Stock and Minerals Stock, respectively, then outstanding to the total number of shares of both classes of common stock then outstanding.

The financial statements of the Services Group include the balance sheets, results of operations and cash flows of the Burlington Air Express Inc. ("Burlington"), Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of the Company, and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Services Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits.

The Company provides holders of Services Stock separate financial statements, financial reviews, descriptions of business and other relevant information for the Services Group in addition to consolidated financial information of the Company. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Minerals Group and the Services Group for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Services Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Services Group's financial statements.

(2) The following analyzes shareholder's equity for the Services Group for the periods presented:

	Quarter Ended March 31, 1994	Year Ended December 31, 1993
Balance at beginning of period	$378,369	329,158
Net income	10,511	47,126
Stock options exercised	2,151	12,124
Stock released from employee benefits trust to employee benefit plan	158	841
Stock sold from employee benefits trust to employee benefit plan	-	220
Stock sold to Minerals Group	74	128
Stock repurchase	(495)	(920)
Dividends declared	(1,887)	(7,055)
Costs of Services Stock Proposal	(2)	(1,564)
Foreign currency translation adjustment	(290)	(4,104)
Tax benefit of options exercised	-	1,519
Net cash from the Company	-	896
Balance at end of period	$388,589	378,369

(3) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Services Group and the BHS segment for the first three months of 1994 and 1993 by $1,120 and $874, respectively. The effect of this change increased net income per share of the Services Group for the first three months of 1994 and 1993 by $.02 and $.01, respectively.

(4) The amounts of depreciation and amortization of property, plant

and equipment in the first quarter 1994 and 1993 totaled $10,724 and $9,782, respectively.

(5) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	First Quarter	
	1994	1993
Interest	$2,453	2,677
Income taxes	$6,833	9,233

During the three month periods ended March 31, 1994 and 1993, capital lease obligations of $925 and $10, respectively, were incurred for leases of property, plant and equipment.

(6) On April 15, 1994, the Company redeemed all of the $27,811 9.2% Convertible Subordinate Debentures due July 1, 2004, at a premium of $767. This debt had been attributed to the Services Group. The premium and other charges related to the redemption have been included in the Services Group statement of operations as other expense.

(7) In January 1994, 161,000 shares of convertible preferred stock (convertible into Minerals Stock) were issued to finance a portion of the acquisition of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. While the issuance of the preferred stock had no effect on the capitalization of the Services Group, commencing March 1, 1994, annual cumulative dividends of $31.25 per share of convertible preferred stock are payable quarterly, in cash, in arrears, from the date of original issue out of all funds of the Company legally available therefor, when, as and if declared by the Company's Board. A portion of the acquisition was also financed with additional debt under existing credit facilities. In March 1994, the additional debt incurred for this acquisition was refinanced with a five-year term loan. The acquisition and related financing have been attributed to the Minerals Group.

(8) Certain prior period amounts have been reclassified to conform to current period financial statement presentation.

(9) All adjustments have been made which are, in the opinion of management, necessary to a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

PITTSTON SERVICES GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The financial statements of the Pittston Services Group (the "Services Group") include the balance sheets, results of operations and cash flows of Burlington Air Express Inc. ("Burlington"), Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS"), and a portion of The Pittston Company's (the "Company") corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Services Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits. The accounting policies applicable to the preparation of the Services Group's financial statements may be modified or rescinded at the sole discretion of the Company's Board of Directors (the "Board") without the approval of the shareholders, although there is no intention to do so.

The Company provides holders of Pittston Services Group Common Stock ("Services Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Services Group in addition to consolidated financial information of the Company. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Pittston

Minerals Group (the "Minerals Group") and the Services Group for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Services Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Services Group's financial statements.

The following discussion is a summary of the key factors management considers necessary in reviewing the Services Group's results of operations, liquidity and capital resources. This discussion should be read in conjunction with the financial statements and related notes of the Company.

SEGMENT INFORMATION
(In thousands of dollars)

	Quarter Ended March 31	
	1994	1993
Revenues:		
Burlington	$261,484	230,885
Brink's	123,765	112,023
BHS	25,804	20,849
Revenues	$411,053	363,757
Operating profit:		
Burlington	$ 9,010	1,474
Brink's	6,133	6,419
BHS	7,566	6,369
Segment operating profit	22,709	14,262
General corporate expense	(2,215)	(2,598)
Operating profit	20,494	11,664
Interest income	622	481
Interest expense	(1,769)	(2,328)
Other income (expense), net	(2,116)	(150)
Income before income taxes	17,231	9,667
Provision for income taxes	6,720	4,253
Net income	$ 10,511	5,414

RESULTS OF OPERATIONS

Net income totaled $10.5 million in the first quarter of 1994 compared with $5.4 million in the first quarter of 1993. Operating profit for the 1994 first quarter increased to $20.5 million from $11.7 million in the prior year quarter. The increase in net income and operating profit for the 1994 first quarter compared with the same period of 1993 was largely attributable to improved earnings for Burlington and BHS. Operating profit also benefitted from decreased general corporate expenses, which was offset by decreased Brink's operating results.

Revenues for the 1994 first quarter increased $47.3 million compared with the 1993 first quarter, of which $30.6 million was from Burlington, $11.7 million was from Brink's and $5.0 million was from BHS. Operating expenses and selling general and administrative expenses for the 1994 first quarter increased $38.3 million compared with the same period last year, of which $23.4 million was from Burlington, $11.5 million was from Brink's and $3.8 million was from BHS, partially offset by a $.4 million decrease in the allocation of corporate expenses.

Burlington
- - ----------

Burlington reported an operating profit of $9.0 million in the 1994 first quarter, a $7.5 million increase over the $1.5 million profit reported in the first quarter of 1993. Worldwide revenues rose 13% to $261.5 million in the current year quarter from $230.9 million in the prior year first quarter. The $30.6 million increase in revenues resulted principally from higher volume in both domestic and international markets. Increased revenues from higher volumes were partially offset by lower average yields (revenues per pound). Total weight shipped worldwide increased 17% to 275.6 million pounds in the 1994 first quarter from 235.9 million pounds in the same period a year earlier. Operating expenses and selling, general and administrative expenses increased $22.2 million and $1.2 million, respectively, in the 1994 first quarter compared with the prior year quarter. The increase in operating expenses largely resulted from the increased volume of business. The increase in operating profit, resulting from increased revenues exceeding increased operating expenses, for the comparable period is almost entirely attributable to increased Americas' operating profit of $7.3 million. Foreign operating profit increased $.2 million compared with the prior year first quarter.

Americas' operating profit benefitted from domestic volume increases of which a significant portion was from increased auto and electronics industry shipments. Although export volumes also increased, U.S. exports have been impacted by competitors focus on international freight with aggressive pricing on new business. Americas' operating profit also benefitted from lower fuel costs, the use of efficient aircraft placed in service during the first half of 1993 and increased capacity as a result of the fourth quarter 1993 expansion of its airfreight hub in Toledo, Ohio, which assisted in achieving greater efficiency. These operations achieved improved results despite service interruptions and increased costs due to adverse weather conditions. The severe winter weather caused airport shutdowns as well as increased mechanical problems. Gains from increased volume of business and efficiencies for Americas' operations were partially offset by decreased average yields in the 1994 first quarter. Average yields continue to reflect a highly competitive pricing environment. While pricing stabilized during the 1994 first quarter, such prices were at reduced levels from those attained in the 1993 first quarter.

Gross profit from Intra-America business increased $10.2 million (30%) compared with the prior year quarter as a 7% decrease in average costs per pound and a 23% increase in weight shipped was only partially offset by a 3% decrease in average yields. Export gross profit increased $.2 million (2%) as a 5% decrease in average costs per pound and an 8% increase in weight shipped was partially offset by a 6% decrease in average yields. Americas' operating profit also included a $1.2 million increase in profit from imports and charter business offset by $4.3 million higher station and corporate support group costs.

Operating results of foreign operations in the current year quarter increased $.2 million, also benefitting from increased volumes. The impact of increased volumes was partially offset by lower yields, increased airline costs where the market capacity is constrained as well as additional costs incurred in connection with offering complete global logistics services.

Brink's
- - -------

Brink's operating profit decreased $.3 million to $6.1 million in the first quarter of 1994 from $6.4 million in the first quarter of 1993 with increased revenues of $11.7 million, increased operating expenses and selling, general and administrative expenses of $11.5 million and decreased other operating income of $.5 million. North American operating profits increased by $1.1 million for the 1994 first quarter to $4.5 million compared with the same period last year, despite the adverse impacts of the severe winter weather and the southern California earthquake. Earnings from international subsidiaries and affiliates decreased $1.4 million to $1.7 million for the same comparative period.

The increase in revenues was almost entirely due to North American operations and largely from armored car and ATM operations. The increase in operating profit for North American operations, however, was largely attributable to North American air courier operations

which increased $.9 million resulting from strong volumes of currency and precious metals shipments. Despite strong revenues, North American armored car operating profits decreased compared with 1993 results due to adverse weather conditions, the California earthquake, a low level of special shipments and increased insurance costs. Results for Canadian operations continued to improve throughout the 1994 first quarter largely due to cost efficiencies, growth in the ATM line of business and service area withdrawals by a competitor.

The decrease in operating earnings from international subsidiaries and affiliates was primarily due to unfavorable results in Mexico and Brazil. Equity in earnings of foreign affiliates, which is included in other operating income, decreased $.3 million. Unfavorable results from Brink's Mexican affiliate, in which Brink's has a 20% equity interest, reflected the impact of the local economic recession, restructuring costs which included employee severance costs, and strengthening competition. Brink's Brazil, a wholly-owned subsidiary, reported an operating loss of $.6 million compared with income of $.4 million in the prior year first quarter. The 1994 first quarter loss reflected the costs of extra security measures made necessary by the significant increase in armed robberies at Brink's and its competitors as well as the industry-wide three day strike in Rio de Janeiro which was intended to focus government attention on the security problem.

BHS
- - ---

Operating profit of BHS increased $1.2 million to $7.6 million in the first quarter of 1994 from $6.4 million in the prior year quarter. The operating profit increase was primarily due to a $1.8 million increase in monitoring margin, only partially offset by a $.4 million increase in installation expenses and $.2 million in account servicing and administrative costs. The increase in the monitoring margin reflects 20% higher monitoring revenues and a 21% higher average subscriber base in the first quarter of 1994 compared with the prior year quarter. Net new subscribers totaled 16,300 in the first quarter of 1994 compared with 9,900 in the first quarter of 1993. Subscribers at March 31, 1994 totaled 275,900.

Foreign Operations
- - ------------------

A portion of the Services Group's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Services Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Services Group's international activity is not concentrated in any single currency, which limits the risks of foreign rate fluctuations. In addition, foreign currency rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Services Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the Services Group, uses foreign exchange forward contracts to hedge the risks associated with certain transactions denominated in currencies other than the functional currency. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, cumulative translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Brink's subsidiaries in Brazil and Israel operate in such highly inflationary economies.

Additionally, the Services Group is subject to other risks customarily associated with doing business in foreign countries, including economic conditions, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Services Group cannot be predicted.

Corporate Expenses
- - ------------------

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated to the Services Group based on utilization and other methods and criteria which management believes to be equitable and a reasonable estimate of such expenses as if the Services Group operated on a stand alone basis. These allocations were $2.2 million and $2.6 million for the first

quarter of 1994 and 1993, respectively. General corporate expenses in the 1993 first quarter were greater than those in the current year quarter due to costs incurred in the 1993 period related to the Company's then proposed reclassification of its common stock into two classes.

Other Operating Income
- - ----------

Other operating income decreased $.2 million to $2.0 million in the 1994 first quarter from $2.2 million in the 1993 first quarter. Other operating income consists primarily of equity earnings of foreign affiliates. These earnings, which are primarily attributable to equity affiliates of Brink's, amounted to $1.6 million and $1.9 million for the first quarter of 1994 and 1993, respectively.

Interest Expense
- - ----------

Interest expense for the first quarter of 1994 decreased by $.5 million to $1.8 million from $2.3 million in the first quarter of 1993. Interest expense in the first quarter of 1993 included interest on debt which was retired during the latter half of 1993.

Other Income (Expense), Net
- - ----------

Other net expense for the first quarter of 1994 increased by $1.9 million to a net expense of $2.1 million from $.2 million in the first quarter of 1993. This included expenses of $1.2 million recognized on the Company's redemption of its 9.2% Convertible Subordinated Debentures.

FINANCIAL CONDITION
- - ----------

A portion of the Company's corporate assets and liabilities has been attributed to the Services Group based upon utilization of the shared services from which assets and liabilities are generated, which management believes to be equitable and a reasonable estimate of the asset and liabilities which would be generated if the Services Group operated on a stand alone basis.

Cash Flow Provided by Operations
- - ----------

Cash provided by operating activities for the first quarter of 1994 totaled $30.6 million compared with $5.8 million in the first quarter of 1993. The increase in 1994 compared with 1993 was largely due to the significant increase in net income for the current year period in addition to a decrease in net cash requirements for operating assets and liabilities.

Capital Expenditures
- - ----------

Cash capital expenditures for the first quarter of 1994 totaled $16.8 million, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. Of the $16.8 million of cash capital expenditures for the 1994 first quarter, $5.2 million was made by Burlington, $3.0 million was made by Brink's and $8.6 million was made by BHS. Expenditures incurred by BHS in the 1994 first quarter were primarily for customer installations, representing the expansion in the subscriber base. For the full year 1994, capital expenditures excluding expenditures that have been or are expected to be financed through capital and operating leases and acquisition expenditures, are estimated to approximate $65 million.

Financing
- - ----------

The Services Group intends to fund its capital expenditure requirements during the remainder of 1994 primarily with anticipated cash flows from operating activities and through operating and capital leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements or borrowings from the Minerals Group. In March 1994, the Company entered into a $350 million revolving credit agreement with a syndicate of banks (the "New

Facility"), replacing the Company's previously existing $250 million of revolving credit agreements. The New Facility includes a $100 million five-year term loan, which matures in March 1999. The New Facility also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250 million until March 1999. As of March 31, 1994, borrowings of $100 million were outstanding under the five-year term loan portion of the New Facility with no additional borrowings outstanding under the remainder of the facility. Of the total amount outstanding under the New Facility $23.4 million was attributed to the Services Group.

Debt

Cash used for debt repayments and funding to the Minerals Group, net of borrowings totaled $3.4 million. The amount of the $100 million term loan attributed to the Services Group was $23.4 million at March 31, 1994.

On April 15, 1994, the Company redeemed all outstanding 9.2% Convertible Subordinated Debentures due July 1, 2004. Such debt had been attributed to the Services Group. The principal amount outstanding was $27.8 million and the premium paid to call the debt totaled $.8 million. The Company used cash provided under its revolving credit agreements to redeem the debentures. The premium paid in addition to other charges related to the redemption were accrued at March 31, 1994 and were included in the statement of operations.

Capitalization

Since the approval of the Services Stock Proposal, capitalization of the Services Group has been affected by all share activity related to Services Stock.

In 1993, the Board of Directors authorized a new share repurchase program under which up to 1,250,000 shares of Services Stock and 250,000 shares of Minerals Stock may be repurchased. As of March 31, 1994, a total of 22,600 shares of Services Stock had been acquired pursuant to the authorization, all of which was acquired in 1994 at an aggregate cost of $.5 million which was paid subsequent to the end of the quarter.

Dividends

The Board of Directors intends to declare and pay dividends on Services Stock based on earnings, financial condition, cash flow and business requirements of the Services Group. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by the Minerals Group could affect the Company's ability to pay dividends in respect of stock relating to the Services Group.

As a result of the Company's issuance in January 1994 of 161,000 shares of a new series of preferred stock, convertible into Minerals Stock, the Company pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, and if declared by the Board of Directors of the Company which commenced March 1, 1994. Such stock also bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

During the first quarter of 1994, the Board of Directors declared and paid cash dividends of 5 cents per share of Services Stock and on an equivalent basis, during the 1993 first quarter the Company paid dividends of 4.6 cents per share of Services Stock.

PITTSTON MINERALS GROUP
BALANCE SHEETS
(In thousands of dollars)

ASSETS	Mar. 31, 1994	Dec. 31, 1993
	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 2,073	2,141

Short-term investments, at lower of cost or market	21,240	21,065
Accounts receivable (net of estimated amount uncollectible: 1994 - $2,296; 1993 - $2,295)	98,126	84,978
Receivable - Pittston Services Group	-	19,098
Inventories, at lower of cost or market:		
Coal	28,664	18,649
Other	4,502	2,271
	33,166	20,920
Prepaid expenses	14,793	8,235
Deferred income taxes	32,557	30,723
Total current assets	201,955	187,160
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1994 - $148,694; 1993 - $205,447)	218,123	181,745
Deferred pension assets	75,056	74,641
Deferred income taxes	114,972	76,887
Coal supply contracts	100,884	35,462
Intangibles, net	82,552	1,408
Receivable - Pittston Services Group	14,709	14,709
Other assets	39,006	34,235
Total assets	$847,257	606,247

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:		
Current maturities of long-term debt	$ 304	30
Accounts payable	87,561	50,383
Payable - Pittston Services Group	4,574	-
Accrued liabilities	145,685	124,421
Total current liabilities	238,124	174,834
Long-term debt, less current maturities	77,332	279
Postretirement benefits other than pensions	210,075	207,416
Workers' compensation and other claims	138,360	118,502
Deferred income taxes	289	-
Other liabilities	205,473	130,073
Shareholder's equity	(22,396)	(24,857)
Total liabilities and shareholder's equity	$847,257	606,247

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended March 31	
	1994	1993
Net sales	$176,742	167,991
Cost of sales	189,781	157,835
Special and other charges	90,806	-
Selling, general and administrative	8,887	9,018
Total costs and expenses	289,474	166,853
Other operating income	2,953	2,807
Operating profit (loss)	(109,779)	3,945
Interest income	51	299
Interest expense	(813)	(978)
Other income (expense), net	(219)	13
Income (loss) before income taxes	(110,760)	3,279
Provision (credit) for income taxes	(36,681)	537
Net income (loss)	(74,079)	2,742
Preferred stock dividends	(1,006)	-
Net income (loss) attributed to common shares	$(75,085)	2,742
Per Pittston Minerals Group common share:		
Net income (loss)	$ (9.96)	.38
Cash dividends	$ .1625	.1477
Average shares outstanding of Pittston Minerals Group common stock	7,541	7,312

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
STATEMENTS OF CASH FLOWS
(In thousands of dollars)
(Unaudited)

	Quarter Ended March 31	
	1994	1993
Cash flows from operating activities:		
Net income (loss)	$(74,079)	2,742
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Noncash charges and other write-offs	46,487	152
Depreciation, depletion and amortization	10,193	6,498
Provision (credit) for deferred income taxes	(30,895)	843
Credit for pensions, noncurrent	(415)	(645)
Provision for uncollectible accounts receivable	30	23
Equity in (earnings) loss of unconsolidated affiliates, net of dividends received	93	(58)
Other operating, net	(352)	89
Change in operating assets and liabilities net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(14,888)	(2,188)
Increase in inventories	(6,796)	(1,949)
Increase in prepaid expenses	(3,230)	(730)
Increase in accounts payable and accrued liabilities	15,685	13,814
Decrease (increase) in other assets	363	(379)
Increase (decrease) in other liabilities	19,709	(1,495)
Increase (decrease) in workers' compensation and other claims, noncurrent	15,224	(4,674)
Other, net	(106)	(17)
Net cash provided (used) by operating activities	(22,977)	12,026
Cash flows from investing activities:		
Additions to property, plant and equipment	(2,666)	(11,783)
Property, plant and equipment pending lease financing	(2,687)	(1,958)
Disposal of property, plant and equipment	176	144
Acquisitions and related contingent payments	(157,245)	(19)
Other, net	9,240	8,465
Net cash used by investing activities	(153,182)	(5,151)
Cash flows from financing activities:		
Additions to debt	76,566	-
Reductions of debt	(528)	-
Borrowings (repayments) - Services Group	23,672	(3,544)
Repurchase of common stock	(270)	(184)
Proceeds from exercise of stock options	776	168
Proceeds from the sale of stock to SIP	-	21
Proceeds from sale of stock to Services Group	115	-
Proceeds from the issuance of preferred stock, net of cash expenses	77,578	-
Cost of Services Stock Proposal	(2)	-
Dividends paid	(1,816)	(1,079)
Net cash to the Company	-	(2,189)
Net cash provided (used) by financing activities	176,091	(6,807)
Net increase (decrease) in cash and cash equivalents	(68)	68
Cash and cash equivalents at beginning of period	2,141	1,990
Cash and cash equivalents at end of period	$ 2,073	2,058

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(In thousands of dollars, except per share amounts)

(1) The approval on July 26, 1993 (the "Effective Date"), by the shareholders of The Pittston Company (the "Company") of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, resulted in the reclassification of the Company's common stock. The outstanding shares of Company common stock were redesignated as Pittston Services Group Common Stock ("Services Stock") on a share-for-share basis and a second class of common stock, designated as Pittston Minerals Group Common Stock ("Minerals Stock"), was distributed on the basis of one-fifth of one share of Minerals Stock for each share of the Company's previous common stock held by shareholders of record on July 26, 1993. Minerals Stock and Services Stock provide shareholders with separate securities reflecting the performance of the Pittston Minerals Group (the "Minerals Group") and the Pittston Services Group (the "Services Group") respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting either group. Accordingly, all stock and per share data prior to the reclassification have been restated to reflect the reclassification. The primary impacts of this restatement are as follows:

* Net income per common share has been included in the Statements of Operations. For the purpose of computing net income per common share of Minerals Stock, the number of shares of Minerals Stock are assumed to be one-fifth of the total number of shares of the Company's common stock.

* All financial impacts of purchases and issuances of the Company's common stock prior to the Effective Date have been attributed to each Group in relation of their respective common equity to the Company's common stock. Dividends paid by the Company were attributed to the Services and Minerals Groups in relation to the initial dividends paid on the Services Stock and the Minerals Stock.

The Company, at any time, has the right to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. In addition, upon the sale, transfer, assignment or other disposition, whether by merger, consolidation, sale or contribution of assets or stock or otherwise, of all or substantially all of the properties and assets of the Minerals Group to any person, entity or group (with certain exceptions), the Company is required to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. Shares of Services Stock are not subject to either optional or mandatory exchange.

Holders of Services Stock have one vote per share. Holders of Minerals Stock have one vote per share subject to adjustment on January 1, 1996, and on each January 1 every two years thereafter based upon the relative fair market values of one share of Minerals Stock and one share of Services Stock on each such date. Accordingly, beginning on January 1, 1996, each share of Minerals Stock may have more than, less than or continue to have exactly one vote. Holders of Services Stock and Minerals Stock vote together as a single voting group on all matters as to which all common shareholders are entitled to vote. In addition, as prescribed by Virginia law, certain amendments to the Company's Restated Articles of Incorporation affecting, among other things, the designation, rights, preferences or limitations of one class of common stock, or any merger or statutory share exchange, must be approved by the holders of such class of common stock, voting as a separate voting group, and, in certain circumstances, may also have to be approved by the holders of the other class of common stock, voting as a separate voting group.

In the event of a dissolution, liquidation or winding up of the Company, the holders of Services Stock and Minerals Stock will

receive the funds remaining for distribution, if any, to the common shareholders on a per share basis in proportion to the total number of shares of Services Stock and Minerals Stock, respectively, then outstanding to the total number of shares of both classes of common stock then outstanding.

The financial statements of the Minerals Group include the balance sheets, results of operations and cash flows of the Coal and Mineral Ventures operations of the Company, and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Minerals Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits.

The Company provides holders of Minerals Stock separate financial statements, financial reviews, descriptions of business and other relevant information for the Minerals Group in addition to consolidated financial information of the Company. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Minerals Group and the Services Group for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Minerals Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

(2) The following analyzes shareholder's equity for the Minerals Group for the periods presented:

	Quarter Ended March 31, 1994	Year Ended December 31, 1993
Balance at beginning of period	$ (24,857)	12,302
Net loss	(74,079)	(32,980)
Stock options exercised	776	2,633
Stock released from employee benefits trust to employee benefit plan	46	378
Stock sold from employee benefits trust to employee benefit plan	-	44
Stock sold to Services Group	115	48
Stock repurchase	(270)	(591)
Dividends declared	(1,816)	(4,583)
Costs of Services Stock Proposal	(2)	(1,599)
Foreign currency translation adjustment	390	(215)
Tax benefit of options exercised	-	602
Issuance of preferred stock	77,301	-
Net cash to the Company	-	(896)
Balance at end of period	$ (22,396)	(24,857)

(3) The amounts of depreciation, depletion and amortization of property, plant and equipment in the first quarter 1994 and 1993 totaled $6,632 and $5,455, respectively.

(4) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	First Quarter	
	1994	1993

Interest	$630	636
Income taxes	$114	-

During the three months ended March 31, 1994, the Minerals Group acquired one business for an aggregate purchase price of $157,245. See Note 5.

During the three months ended March 31, 1994, capital lease obligations of $279 were incurred for leases of property, plant and equipment.

(5) On January 14, 1994, a wholly owned indirect subsidiary of the Minerals Group completed the acquisition of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. for $157,245. The acquisition has been accounted for as a purchase; accordingly, the purchase price has been allocated to the underlying assets and liabilities based on their respective estimated fair values at the date of acquisition. Based on preliminary estimates, subject to finalization by year-end, the fair value of assets acquired was $180,592 and liabilities assumed was $104,912. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed was $81,565 and is being amortized over a period of 40 years. The results of operations of the acquired company have been included in the Minerals Group's results of operations since the date of acquisition.

The acquisition was financed by the issuance of $80.5 million of a new series of the Company's preferred stock, convertible into Minerals Stock, and additional debt under existing credit facilities. This financing has been attributed to the Minerals Group. In March 1994, the additional debt incurred for this acquisition was refinanced with a five-year term loan.

The following pro forma results, however, assume that the acquisition and related financing had occurred at the beginning of the periods presented. The unaudited pro forma data below are not necessarily indicative of results that would have occurred if the transaction were in effect for the quarters ended March 31, 1994 and 1993, nor are they indicative of the future results of operations of the Minerals Group.

	Pro Forma Quarter Ended March 31	
	1994	1993
Net sales	$186,668	226,073
Net income (loss)	$(73,655)	4,351
Pittston Minerals Group:		
Net income (loss) attributed to common shares	$(74,913)	3,093
Net income (loss) per common share	$ (9.93)	.42
Average common shares outstanding	7,541	7,312

(6) The Company has authority to issue up to 2,000,000 shares of preferred stock, par value $10 per share. In January 1994, the Company issued 161,000 shares of its $31.25 Series C Cumulative Convertible Preferred Stock, par value $10 per share (the "Convertible Preferred Stock"). The Convertible Preferred Stock pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, as and if declared by the Board of Directors of the Company, and bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon. Each share of the Convertible Preferred Stock is convertible at the option of the holder at

any time after March 11, 1994, unless previously redeemed or, under certain circumstances, called for redemption, into shares of Minerals Stock at a conversion price of $32.175 per share of Minerals Stock, subject to adjustment in certain circumstances. Except under certain circumstances, the Convertible Preferred Stock is not redeemable prior to February 1, 1997. On and after such date, the Company may at its option, redeem the Convertible Preferred Stock, in whole or in part, for cash initially at a price of $521.875 per share, and thereafter at prices declining ratably annually on each February 1 to an amount equal to $500.00 per share on and after February 1, 2004, plus in each case an amount equal to accrued and unpaid dividends on the date of redemption. Except under certain circumstances or as prescribed by Virginia law, shares of the Convertible Preferred Stock are nonvoting. Other than the Convertible Preferred Stock no shares of preferred stock are presently issued or outstanding.

(7) During the 1994 first quarter, the Minerals Group incurred pre-tax charges of $90.8 million ($58.1 million after-tax) for asset writedowns and accruals for costs related to facilities which are being closed including contractually or statutorily required employee severance and other benefit costs.

(8) Certain prior period amounts have been reclassified to conform to current period financial statement presentation.

(9) All adjustments have been made which are, in the opinion of management, necessary to a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

PITTSTON MINERALS GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The financial statements of the Pittston Minerals Group (the "Minerals Group") include the balance sheets, results of operations and cash flows of the Coal and Mineral Ventures operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Minerals Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits. The accounting policies applicable to the preparation of the Minerals Group's financial statements may be modified or rescinded at the sole discretion of the Company's Board of Directors (the "Board") without the approval of the shareholders, although there is no intention to do so.

The Company provides to holders of the Pittston Minerals Group Common Stock ("Minerals Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Minerals Group in addition to consolidated financial information of the Company. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Minerals Group and the Pittston Services Group (the "Services Group") for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Minerals Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

The following discussion is a summary of the key factors management considers necessary in reviewing the Minerals Group's results of operations, liquidity and capital resources. This discussion should be read in conjunction with the financial statements and related notes of the Company.

SEGMENT INFORMATION
(In thousands of dollars)

	Quarter Ended March 31	
	1994	1993
Net sales:		
Coal	$ 173,416	163,985
Mineral Ventures	3,326	4,006
Net sales	$ 176,742	167,991
Operating profit (loss):		
Coal	$(107,839)	5,539
Mineral Ventures	(246)	366
Segment operating profit (loss)	(108,085)	5,905
General corporate expense	(1,694)	(1,960)
Operating profit (loss)	(109,779)	3,945
Interest income	51	299
Interest expense	(813)	(978)
Other income (expense), net	(219)	13
Income (loss) before income taxes	(110,760)	3,279
Provision (credit) for income taxes	(36,681)	537
Net income (loss)	$ (74,079)	2,742

RESULTS OF OPERATIONS

In the first quarter of 1994, the Minerals Group reported a net loss of $74.1 million compared with net income of $2.7 million in the first quarter of 1993. The decrease was attributable to the Coal segment whose results included charges for asset writedowns, accruals for costs related to facilities which are being closed and operating losses incurred related to these facilities, which in the aggregate reduced operating profit and net income by $97.5 million and $63.4 million, respectively. Decreased operating results for Mineral Ventures in the 1994 first quarter were offset by lower general corporate expenses for the period. The first quarter of 1993 was adversely affected by a one-time coal litigation charge and a corporate charge related to the Company's then proposed reclassification of its common stock into two classes.

Coal

Coal operations had an operating loss totaling $107.8 million in the first quarter of 1994 compared with an operating profit of $5.5 million in the year earlier quarter. The 1994 first quarter coal operating loss included $90.8 million of charges for asset writedowns and accruals for costs related to facilities which are being closed and $6.7 million of operating losses incurred during the first quarter related to those facilities. Coal's ongoing operations incurred losses of $10.3 million in the 1994 first quarter. The decrease compared with prior year operating results reflected the adverse impact of the severe winter weather which particularly hampered surface mine production and river transportation. The 1994 first quarter included the operating results from substantially all the coal mining operations and coal sales contracts of Addington Resources, Inc. ("Addington"), which acquisition was completed by the Minerals Group on January 14, 1994.

Sales volume of 6.1 million tons for the 1994 first quarter was 13% or .7 million tons greater than sales volume in the 1993 first quarter. Coal produced and purchased totaled 6.3 million tons for the 1994 first quarter, an 18% or 1.0 million ton increase over the 1993 first quarter. Coal sales and produced/purchased in the first quarter of 1994 attributable to Addington operations amounted to 1.4 million tons and 1.6 million tons, respectively.

In the 1994 first quarter, 38% of total production was derived from

deep mines and 62% was derived from surface mines compared with 62% and 38% of deep and surface mine production, respectively, in the first quarter of 1993.

Both production and sales in the 1994 first quarter were impacted by the extreme cold weather and above-normal precipitation. Production was hampered not only by a large number of lost production days, but also by the continuing interruptions which limited output efficiencies during periods of performance. Sales suffered due to lost loading days and were impeded by closed and restricted road accessibility. Sales were further impacted by the lack of rail car availability and the disruption of river barge service initially due to frozen waterways and subsequently due to the heavy snow melt and rain, which raised the rivers above operational levels. The severe weather also reduced output from purchased coal suppliers, which hindered the ability to meet customer shipments during the period. In addition to weather related difficulties, operations in the 1994 first quarter were affected by lost business due to a utility customer's plant closure and production shortfalls due to withdrawal of contractors from the market.

Average coal margin (realization less current production costs of coal sold), which was a loss of $1.02 per ton for the current year quarter, decreased $3.81 per ton from the prior year first quarter with a 3.8% or $1.13 per ton decrease in average realization and a 10.0% or $2.68 per ton increase in average current production costs of coal sold. The increase in average current production costs was primarily caused by the previously mentioned adverse weather conditions, which significantly reduced planned production, and unusually high costs incurred at mines which are being closed.

The metallurgical coal markets continued their long-term decline with price reductions of $3.85 per ton negotiated early in the year between Canadian and Australian producers and Japanese steel mills. The Coal Operation recently reached agreement with its major Japanese steel customers for new three-year contracts for metallurgical coal shipments. Such agreements replace sales contracts which expired on March 31, 1994. Pricing under the new agreements for the coal year beginning April 1, 1994 was impacted by the price reductions accepted by foreign producers, but is largely offset by modifications in coal quality specification which allows the Coal Operation flexibility in sourcing and blending the coals. The net margin for coal sold under such agreements is expected to decrease less than $1 a ton for the current contract year. Negotiations continue with certain customers in Europe and Brazil. Although the outcome of these negotiations is uncertain they are expected to result in potential margin reductions of no change up to $1 per ton. Sales of metallurgical coal are expected to decrease.

As a result of the continuing long-term decline in the metallurgical coal markets, which is evidenced by the recent severe price reductions, the Coal Operation is accelerating its strategy of decreasing its exposure to these markets by reducing its metallurgical coal production and increasing its production and sales of lower cost surface minable steam coal. After a review of the economic viability of the remaining metallurgical coal assets, certain underground mines are being closed resulting in significant economic impairment of the related preparation plants. In addition, one surface steam coal mine, the Heartland mine, is being closed due to rising costs caused by unfavorable geological conditions. The $90.8 million in charges to operating earnings in the 1994 first quarter included a reduction in the carrying value of these assets and related accruals for mine closure costs. These charges include asset writedowns of $46.5 million, mine closing costs including reclamation expenses estimated at $23.1 million and contractually or statutorily required employee severance and other benefit costs estimated at $21.2 million. Of the total charges, liabilities which are expected to be paid within one year total $16.8 million with the balance over the next several years. Operating results for the remainder of 1994 and thereafter should benefit from these measures, the continued integration of Addington operations, the planned expansion of surface mine operations and cost reductions resulting from personnel cutbacks and the realignment of administrative duties which were put in place at the end of the 1994 first quarter.

The Coal Operation's principal labor agreement with the UMWA expires on June 30, 1994. The Company expects a replacement contract will be submitted for a ratification vote prior to expiration of the existing contract.

Operating profit in the first quarter of 1993 was negatively impacted

by a $1.8 million charge to settle litigation related to the moisture content of tonnage used to compute royalty payments to the UMWA pension and benefit funds during the period ending February 1, 1988. The effect of these costs were offset by strong production, good productivity, a solid performance at certain surface mining operations in Virginia and Kentucky and favorable labor related expenses during the period.

Mineral Ventures
- - ----------

Operating profit of Mineral Ventures decreased $.6 million in the 1994 first quarter to an operating loss of $.2 million, from an operating profit of $.4 million in the prior year first quarter. The decrease in operating profit principally reflects increased exploration costs in Australia and Nevada as well as lower production at the Stawell gold mine. The production shortfall at the Stawell mine was largely due to an operator accident during the 1994 first quarter, which also resulted in higher operating costs for the period. The Stawell gold mine, in which Mineral Ventures has a 67% net equity interest, produced 16,855 ounces in the 1994 first quarter compared with 18,765 ounces in the comparable 1993 period. A joint venture in which Mineral Ventures also has a net 67% equity interest continued gold exploration in Nevada and Australia during the 1994 first quarter.

Other Operating Income
- - ----------

Other operating income for the first quarter of 1994 increased $.2 million to $3.0 million from $2.8 million recognized in the year earlier quarter. Other operating income principally includes royalty income from coal and natural gas properties and gains and losses attributable to sales of property and equipment.

Corporate Expenses
- - ----------

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated to the Minerals Group based on utilization and other methods and criteria which management believes to be equitable and a reasonable estimate of such expenses as if the Minerals Group operated on a stand alone basis. These allocations were $1.7 million and $2.0 million for the first quarter of 1994 and 1993, respectively. General corporate expenses in the 1993 first quarter were greater than those in the current year quarter due to costs incurred in the 1993 period related to the Company's then proposed reclassification of its common stock into two classes.

Interest Expense
- - ----------

Interest expense for the first quarter of 1994 decreased slightly to $.8 million from $1.0 million in the first quarter of 1993. Interest expense in the 1994 first quarter included interest incurred on borrowings used to finance the Addington acquisition. Interest expense in the 1993 first quarter included interest assessed on settlement of coal litigation related to the moisture content of tonnage used to compute royalty payments to UMWA pension and benefit funds.

FINANCIAL CONDITION
- - ----------

A portion of the Company's corporate assets and liabilities has been attributed to the Minerals Group based upon utilization of the shared services from which assets and liabilities are generated, which management believes to be equitable and a reasonable estimate of the asset and liabilities which would be generated if the Minerals Group operated on a stand alone basis.

Cash Flow Provided by Operations
- - ----------

Operating activities for the first quarter of 1994 used cash of $23.0 million, while operations in the first quarter of 1993 provided cash of $12.0 million. Operations provided less cash in the 1994 period largely due to the integration of operating activities of Addington which required cash to finance working capital needs since acquisition. Net income, noncash charges and changes in operating

assets and liabilities in the 1994 first quarter were significantly affected by after-tax special and other charges of $58.1 million which had no effect in the first quarter on cash generated by operations. Of the total $90.8 million of the 1994 first quarter pre-tax charges, $46.5 million was for noncash writedowns of assets and the remainder represents liabilities, of which $16.8 million are expected to be paid within one year or are expected to be over the next several years.

Capital Expenditures

Cash capital expenditures for the first quarter of 1994 totaled $2.7 million, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. For the full year 1994, capital expenditures, excluding expenditures that have been or are expected to be financed through capital and operating leases and acquisition expenditures, are estimated to approximate $30 million.

Other Investing Activities

All other investing activities in the 1994 first quarter used net cash of $150.5 million. In January 1994, the Company paid approximately $157 million in cash for the acquisition of substantially all the coal mining operations and coal sales contracts of Addington. The purchase price of the acquisition was subsequently financed through the issuance of $80.5 million of a new series of preferred stock, convertible into Pittston Minerals Group Common Stock, and additional debt under revolving credit agreements.

Financing

The Minerals Group intends to fund its capital expenditure requirements during the remainder of 1994 primarily with anticipated cash flows from operating activities and through operating and capital leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements or borrowings from the Services Group. In March 1994, the Company entered into a $350 million revolving credit agreement with a syndicate of banks (the "New Facility"), replacing the Company's previously existing $250 million of revolving credit agreements. The New Facility includes a $100 million five-year term loan, which matures in March 1999. The New Facility also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250 million until March 1999. As of March 31, 1994, borrowings of $100 million were outstanding under the five-year term loan portion of the New Facility with no additional borrowings outstanding under the remainder of the facility. Of the total amount outstanding under the New Facility, $76.6 million was attributed to the Minerals Group.

Debt

Net cash proceeds from outstanding debt and funding from the Services Group totaled $99.7 million for the first quarter of 1994, including borrowings under revolving credit agreements which were attributed to the Minerals Group aggregating $76.6 million at March 31, 1994. Cash proceeds from the issuance of preferred stock was not sufficient to fund current operating activities, capital expenditures, other net investing activities and net costs related to share activity during the 1994 first quarter, resulting in additional borrowings under the Company's revolving credit agreements.

Capitalization

Since the creation of Minerals Stock upon approval of the Services Stock Proposal, capitalization of the Minerals Group has been affected by all share activity related to Minerals Stock.

In January 1994, the Company issued $80.5 million (161,000 shares) of a new series of preferred stock, convertible into Minerals Stock, to finance a portion of the Addington Acquisition. Such stock has been attributed to the Minerals Group.

In 1993, the Board of Directors of the Company authorized a new share repurchase program under which up to 1,250,000 shares of Services Stock and 250,000 shares of Minerals Stock may be repurchased. As of

March 31, 1994, a total of 31,500 shares of Minerals Stock had been acquired pursuant to the authorization. Of that amount, 12,700 shares of Minerals Stock was repurchased in the first quarter of 1994 at an aggregate cost of $.3 million.

Dividends

The Board of Directors intends to declare and pay dividends on Services Stock and Minerals Stock based on earnings, financial condition, cash flow and business requirements of the Services Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by one Group could affect the Company's ability to pay dividends in respect of stock relating to the other Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount as defined in the Company's Articles of Incorporation.

As a result of the Company's issuance in January 1994 of 161,000 shares of a new series of preferred stock, convertible into Minerals Stock, the Company pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, and if declared by the Board of Directors of the Company which commenced March 1, 1994. Such stock also bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

During the first quarter of 1994, the Board of Directors declared and the Company paid cash dividends of 16.25 cents per share of Minerals Stock. On an equivalent basis, during the 1993 first quarter the Company paid dividends of 14.8 cents per share of Minerals Stock.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Company's annual meeting of shareholders was held on May 6, 1994.

(b) Not required.

(c) The following persons were elected directors for terms expiring in 1997, by the following votes:

	For	Withheld
R. G. Ackerman	44,275,693	762,508
M. J. Anton	44,001,021	771,031
J. C. Farrell	44,291,304	746,897
R. H. Spilman	44,284,318	753,883

The selection of KPMG Peat Marwick as independent certified public accountants to audit the accounts of the Company and its subsidiaries for the year 1994 was approved by the following vote:

For	Against	Abstentions	Broker Non-votes
44,147,919	399,267	296,805	194,210

Amendments to the Company's 1988 Stock Option Plan to (i) increase the maximum number of shares that may be issued pursuant to options exercised under such Plan to 1,600,000 of Services Stock and 225,000 shares of Minerals Stock plus, in each case, the number of shares of Services Stock or Minerals Stock, as the case may be, issuable pursuant to options outstanding on May 6, 1994 and (ii) limit the maximum number of options that may be granted to any single participant to options to purchase no more than 250,000 shares of Services Stock and 200,000 shares of Minerals Stock, to conform the administration provisions of such Plan so as to assure disinterested administration and to make certain other related amendments to such Plan in order to qualify the grant of stock options under such Plan as "performance-based remuneration" within the meaning of the Omnibus Budget

Reconciliation Act of 1993 were approved by the following vote:

For	Against	Abstentions	Broker Non-votes
38,083,049	2,439,291	518,486	3,997,375

Amendments to the Company's Key Employees' Deferred Payment Program to (i) rename such plan the Key Employees' Deferred Compensation Program of The Pittston Company, (ii) require that all distributions generally be made in the form of Services Stock or Minerals Stock, (iii) permit certain officers and employees to defer (a) up to 50% of their base salary and (b) amounts that are not permitted to be deferred under the Company's Savings-Investment Plan as a result of limitations imposed by the Internal Revenue Code of 1986, as amended, and (iv) to permit the distribution of up to 250,000 shares of Services Stock and 100,000 shares of Minerals Stock were approved by the following vote:

For	Against	Abstentions	Broker Non-votes
38,394,350	2,116,541	531,133	3,996,177

A proposal to approve the 1994 Employee Stock Purchase Plan of the Company pursuant to which (i) each employee of the Company and designated subsidiaries that have at least six months of service with the Company or any such subsidiary and who satisfy certain other criteria are eligible, subject to certain limitations, to purchase shares of common stock of the Company at a price equal to 85% of the fair market value of such stock on certain dates as specified in such Plan through payroll deductions and (ii) up to 750,000 shares of Services Stock and 250,000 shares of Minerals Stock may be sold was approved by the following vote:

For	Against	Abstentions	Broker Non-votes
39,114,723	1,685,945	367,387	3,870,146

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number	
10.1	First Supplement Indenture, between Toledo-Lucas County Port Authority, and Society National Bank, as Trustee, dated as of March 1, 1994.
10.2	Third Supplement to Lease, between Toledo-Lucas County Port Authority, as Lessor, and Burlington Air Express Inc., as Lessee, dated as of June 1, 1991.
10.3	Fourth Supplement to Lease, between Toledo-Lucas County Port Authority, as Lessor, and Burlington Air Express Inc., as Lessee, dated as of March 1, 1994.
10.4	Credit Agreement, dated as of March 4, 1994, among The Pittston Company, as Borrower, Lenders Parties Thereto, Chemical Bank, Credit Suisse and Morgan Guaranty Trust Company of New York, as Co-agents, and Credit Suisse, as Administrative Agent.
10.5*	The Company's 1988 Stock Option Plan, as amended.
10.6*	The Company's Key Employees' Deferred Compensation Program.
10.7*	The Company's 1994 Employee Stock Purchase Plan.
11	Statement re Computation of Per Shares Earnings.

(b) A report on Form 8-K dated January 14, 1994, was filed with respect to (i) the completion of the Company's previously reported purchase of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. and (ii) the completion of an $80,500,000 private issue of 1,610,000 Depository Shares each representing a one-tenth interest in the Company's $31.25 Series C Cumulative Convertible Preferred Stock and related amendment to its Restated Articles of Incorporation.

A report on Form 8-K dated March 16, 1994, was filed with respect to the redemption of all of the Company's outstanding 9.20% Convertible Subordinated Debentures due July 1, 2004.

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* Management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE PITTSTON COMPANY

May 12, 1994

By G. R. Rogliano

(G. R. Rogliano)
Vice President -
Controllership and Taxes
(Duly Authorized Officer and
Chief Accounting Officer)

EXHIBIT 10.1

FIRST SUPPLEMENTAL INDENTURE

Between

TOLEDO-LUCAS COUNTY PORT AUTHORITY

and

SOCIETY NATIONAL BANK,
as Trustee

_____

$36,120,000
Toledo-Lucas County Port Authority
Airport Refunding and Improvement Revenue Bonds, Series 1994-1
(Burlington Air Express Project)

_____

Dated

as of

March 1, 1994

This First Supplemental Indenture supplements a Trust Indenture dated as of April 1, 1989 between the Toledo-Lucas County Port Authority and the above-named Trustee (successor by merger to Society Bank & Trust, formerly known as Trustcorp Bank, Ohio).

Squire, Sanders & Dempsey
Bond Counsel

FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of March 1, 1994, is made by and between the TOLEDO-LUCAS COUNTY PORT AUTHORITY (the "Issuer"), a port authority and a political subdivision, and a body corporate and politic, in and of, and duly created and validly existing under, the laws of the State of Ohio (the "State"), and SOCIETY NATIONAL BANK, a national banking association duly organized and validly existing under the laws of the United States of America and duly authorized to exercise corporate trust powers under the laws of the State, with its principal corporate trust office located in Cleveland, Ohio, operating by and through its Toledo, Ohio corporate trust office (successor by merger to Society Bank & Trust, formerly known as Trustcorp Bank, Ohio), as Trustee (the "Trustee"), under the circumstances summarized in the following recitals (the capitalized words and terms not defined in this First Supplemental Indenture have the meanings assigned to them in Article I of the Trust Indenture between the Issuer and the Trustee dated as of April 1, 1989 (the "Original Indenture")):

1. By virtue of the authority of the laws of the State including, without limitation, Section 13 of Article VIII of the Ohio Constitution and Sections 4582.01 through 4582.20 of the Ohio Revised Code, and the Bond Legislation duly adopted by the Legislative Authority, the Issuer heretofore executed and delivered the Original Indenture to the Trustee to secure the Issuer's

Airport Improvement Revenue Bonds, Series 1989-1 (Burlington Air Express Project), issued in the original aggregate principal amount of $30,870,000 and currently outstanding in an aggregate principal amount of $30,245,000 (the "Refunded Bonds"), and to secure any Additional Bonds that might thereafter be issued pursuant to Section 2.04 of the Original Indenture; and

2. The Issuer has determined to issue $36,120,000 Airport Refunding and Improvement Revenue Bonds, Series 1994-1 (Burlington Air Express Project) (the "Series 1994-1 Bonds"), as Additional Bonds under the Original Indenture, for the purposes of (i) refunding, at a reduced interest cost, the outstanding principal amount of the Refunded Bonds and (ii) paying costs of acquiring, constructing, improving and equipping certain additional "port authority facilities", including "aviation facilities", both as defined in the Act (the "1994 Project"), for lease to the Company for use in connection with the Hub Facility; and

3. Pursuant to the Bond Legislation, including a resolution duly adopted by the Legislative Authority on December 9, 1993, the Issuer is authorized to enter into this First Supplemental Indenture to secure the Series 1994-1 Bonds and to do or cause to be done all acts provided or required herein to be performed on its part; and

4. All acts and conditions required to happen, exist and be performed precedent to and in the issuance of the Series 1994-1 Bonds and the execution and delivery of this First Supplemental Indenture have happened, exist and have been performed (i) to make the Series 1994-1 Bonds, when issued, delivered and authenticated, valid special obligations of the Issuer in accordance with the terms thereof and hereof, and (ii) to make the Indenture, including this First Supplemental Indenture, a valid, binding and legal trust agreement for the security of the Series 1994-1 Bonds and any further Additional Bonds in accordance with the terms of the Original Indenture; and

5. The Trustee has accepted the trusts created by this First Supplemental Indenture, and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the Bond Service Charges on the Series 1994-1 Bonds and any further Additional Bonds hereafter issued according to their true intent and meaning, and to secure the performance and observance of all the covenants and conditions therein and in the Indenture contained and to declare the terms and conditions upon and subject to which the Series 1994-1 Bonds are and are intended to be issued, held, secured, and enforced, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Series 1994-1 Bonds by the Holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has executed and delivered this First Supplemental Indenture and does hereby absolutely and irrevocably assign to Society National Bank, as Trustee, and to its successors in trust, and its and their assigns, (i) the right of the Issuer under the Lease to receive, and the rights and remedies of the Issuer under the Lease to enforce the payment of, the Basic Rent and other payments to be made under the Lease specifically relating to the payment of Bond Service Charges and the rights of the Issuer to receive and enforce payments under the Guaranty corresponding to the Basic Rent and other payments to be made under the Lease specifically relating to the payment of Bond Service Charges, and (ii) all right, title and interest of the Issuer in and to the Revenues including, without limitation, the moneys and investments in the Special Funds (except any moneys that are required to be rebated to the United States of America), the Basic Rent, the Net Facility Revenues and the Issuer Payments,

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the terms of the Indenture,

(a) except as provided otherwise in the Indenture, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued or to be issued under and secured by the Indenture,

(b) for the enforcement of the payment of the Bond Service Charges on the outstanding Bonds, when payable, according to the true intent and meaning thereof and of the Indenture, and

(c) to secure the observance and performance of and compliance with the covenants, agreements, obligations, terms and conditions of the Indenture,

in each case without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that, except as otherwise provided in the Indenture, each Bond and all Bonds shall have the same right, lien and privilege under the Indenture, and shall be secured equally and ratably thereby, it being intended that the lien and security of the Indenture take effect from the date of the Original Indenture, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that if

(i) the principal of the Series 1994-1 Bonds and the interest due or to become due thereon together with any premium required by redemption of any of the Series 1994-1 Bonds prior to maturity shall be well and truly paid, at the times and in the manner mentioned in the Series 1994-1 Bonds, according to the true intent and meaning thereof, or the outstanding Series 1994-1 Bonds shall have been paid and discharged in accordance with Article IX of the Original Indenture, and

(ii) all the covenants, agreements, obligations, terms and conditions of the Issuer under the Indenture shall have been kept, observed and performed, and there shall have been paid to the Trustee, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due to them in accordance with the terms and provisions hereof,

then this First Supplemental Indenture and the rights hereby assigned shall cease, determine and be void except as provided in Section 9.03 of the Original Indenture with respect to the survival of certain provisions thereof; otherwise, this First Supplemental Indenture shall be and remain in full force and effect.

IT IS EXPRESSLY DECLARED that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all Revenues assigned hereby are to be dealt with and disposed of under, upon and subject to and in accordance with the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in the Indenture including this First Supplemental Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

Section 1. Issuance of Series 1994-1 Bonds. It is determined to be necessary to, and the Issuer shall, issue, sell and deliver its $36,120,000 aggregate principal amount of Series 1994-1 Bonds for the purposes of (i) refunding the Refunded Bonds at a reduced interest cost thereby providing funds sufficient, together with other available moneys in the Special Funds, to retire the portion the Refunded Bonds heretofore called for mandatory sinking fund redemption pursuant to Section 4.01(a) of the Original Indenture, on April 1, 1994, pursuant to such call for mandatory sinking fund redemption, and to pay all interest due on that date and to retire, pursuant to call for optional redemption pursuant to Section 4.01(d) of the Original Indenture, all remaining outstanding Refunded Bonds on April 21, 1994, and including moneys sufficient for the payment of the premium and any accrued interest required by Section 4.01(d) of the Original Indenture in connection with such optional redemption, and (ii) paying costs of the acquisition, construction, improvement and equipping of the 1994 Project, including those facilities generally described Exhibit A to the Fourth Supplement to Lease of even date herewith between the Issuer and the Company (the "Fourth

Supplement"), and which 1994 Project consists of the "1994 Additional Project" leased to the Company for use in connection with the Hub Facility, and the "1994 Airport Improvements", all as more fully described in Exhibit A to the Fourth Supplement, the terms of which are hereby approved. The Series 1994-1 Bonds shall be issued as Additional Bonds under and in accordance with the Original Indenture, particularly Section 2.04 thereof, except subparagraph 9 of the second paragraph thereof which shall only apply to future series of Additional Bonds, and upon satisfaction of the conditions stated therein (other than those in that subparagraph 9), the proceeds of the Series 1994-1 Bonds and other available funds shall be allocated and deposited by the Trustee on the date of issuance of the Series 1994-1 Bonds in accordance with Section 3 hereof.

The Series 1994-1 Bonds shall be issuable, only in fully registered form, substantially in the form set forth as Exhibit A to this First Supplemental Indenture; shall be numbered in such manner as determined by the Trustee in order to distinguish each Series 1994-1 Bond from any other Series 1994-1 Bond; shall be in the denominations of $5,000 and any integral multiples thereof; and shall be dated of even date with this First Supplemental Indenture. The Bonds shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date.

Section 2. Terms and Provisions of the Series 1994-1 Bonds.

(a) Interest Rates and Principal Maturities. The Series 1994-1 Bonds shall mature on April 1 in the years and in the principal amounts, and shall bear interest at the annual interest rates, payable on each Interest Payment Date, in accordance with the schedule set forth below:

Year of Maturity	Principal Amount of Series 1994-1 Bonds Maturing	Annual Interest Rate
2004	8,170,000	7.00%
2009	5,385,000	7.25%
2014	8,200,000	7.375%
2019	14,365,000	7.50%

(b) Mandatory Sinking Fund Redemption. (i) The Series 1994-1 Bonds maturing on April 1,2004 shall be subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on the Principal Payment Date in the years specified below and in the principal amounts set forth opposite the respective year of redemption:

Year	Refunding Amount	1994 Project Amount	Total
1995	$560,000	$70,000	$630,000
1996	630,000	90,000	720,000
1997	665,000	100,000	765,000
1998	710,000	105,000	815,000
1999	755,000	115,000	870,000
2000	805,000	120,000	925,000
2001	855,000	130,000	985,000
2002	630,000	140,000	770,000
2003	670,000	150,000	820,000

If retired only by mandatory sinking fund redemption prior to their stated maturity, there would remain $870,000 principal amount ($710,000 principal amount of which constitutes refunding bonds) of the Series 1994-1 Bonds maturing on April 1, 2004 to be paid at maturity.

(ii) The Series 1994-1 Bonds maturing on April 1, 2009 shall be subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on the Principal Payment Date in the years specified below and in the principal amounts set forth opposite the respective year of redemption:

Year	Refunding Amount	1994 Project Amount	Total
2005	$760,000	$170,000	$930,000
2006	820,000	180,000	1,000,000
2007	880,000	195,000	1,075,000
2008	935,000	210,000	1,145,000

If retired only by mandatory sinking fund redemption prior to their stated maturity, there would remain $1,235,000 principal amount ($1,010,000 principal amount of which constitutes refunding bonds) of the Series 1994-1 Bonds maturing on April 1, 2009 to be paid at maturity.

(iii) The Series 1994-1 Bonds maturing on April 1, 2014 shall be subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on the Principal Payment Date in the years specified below and in the principal amounts set forth opposite the respective year of redemption:

Year	Refunding Amount	1994 Project Amount	Total
2010	$1,080,000	$240,000	$1,320,000
2011	1,155,000	260,000	1,415,000
2012	1,240,000	275,000	1,515,000
2013	1,335,000	295,000	1,630,000

If retired only by mandatory sinking fund redemption prior to their stated maturity, there would remain $2,320,000 principal amount (all which constitutes refunding bonds) of the Series 1994-1 Bonds maturing on April 1, 2014 to be paid at maturity.

(iv) The Series 1994-1 Bonds maturing on April 1, 2019 (all of which constitute refunding bonds) shall be subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on the Principal Payment Date in the years specified below and in the principal amounts set forth opposite the respective year of redemption:

Year	Refunding Amount
2015	$2,385,000
2016	2,565,000
2017	2,765,000
2018	3,110,000

If retired only by mandatory sinking fund redemption prior to their stated maturity, there would remain $3,540,000 principal amount of the Series 1994-1 Bonds maturing on April 1, 2019 to be paid at maturity.

(v) The procedures and conditions for the satisfaction of the mandatory sinking fund requirements set forth in Section 4.01(a) of the Original Indenture with respect to the Refunded Bonds (referred to as the "Project Bonds" therein), beginning with the third sentence of the first paragraph of that Section 4.01(a), shall apply to the Series 1994-1 Bonds and are incorporated herein by reference as fully as if set forth here with all references therein to the "Project Bonds" instead to refer to the "Series 1994-1 Bonds maturing on the applicable maturity date".

(c) Optional Redemption. The Series 1994-1 Bonds shall be subject to redemption on or after April 1, 2004 (from funds other than those deposited in accordance with the mandatory sinking fund requirements applicable to the Series 1994-1 Bonds), at the option of the Issuer, in whole on any date or in part on any Interest Payment Date, at redemption prices equal to the following percentages of the principal amount redeemed plus, in each case, interest accrued to the redemption date:

Redemption Period (dates inclusive)	Redemption Price
April 1, 2004 through March 31, 2005	102%
April 1, 2005 through March 31, 2006	101%
April 1, 2006 and thereafter	100%

If optional redemption at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any applicable mandatory redemption date identified in subsection (b) of this Section, the Series 1994-1 Bonds, or portions thereof, to be so redeemed shall be selected (by lot within a maturity) prior to the selection of the Series 1994-1 Bonds to be redeemed on the same date by operation of the mandatory redemption provisions of that subsection (b).

(d) Extraordinary Optional Redemption. Subject to the terms of the Lease, the Series 1994-1 Bonds shall be subject to redemption by the Issuer, upon 45 days prior written notice to the Trustee, in whole on any date upon the occurrence of any of the events described in subparagraphs (i), (ii) and (iii) of the first paragraph of Section 4.01(b) of the Original Indenture at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

(e) Mandatory Redemption Upon a Determination of Taxability. The Series 1994-1 Bonds shall be subject to mandatory redemption upon the occurrence of a Determination of Taxability with respect to the Series 1994-1 Bonds. "Determination of Taxability" is used herein as defined in Section 1.01 of the Original Indenture with respect to the Refunded Bonds (referred to therein as the "Project Bonds") and that definition shall apply to the Series 1994-1 Bonds and is incorporated herein by reference as fully as if set forth here, with all references to the "Project Bonds" instead to refer to the Series 1994-1 Bonds. The procedures and conditions for implementation of the mandatory redemption upon a Determination of Taxability set forth in Section 4.01(c) of the Original Indenture with respect to the Refunded Bonds shall apply to the Series 1994-1 Bonds and are incorporated herein by reference as fully as if set forth here, with all references therein to the "Project Bonds" instead to refer to the Series 1994-1 Bonds.

(f) Redemption - Generally. The provisions of Sections 4.02 through 4.05 of the Original Indenture shall apply to the Series 1994-1 Bonds; provided, that, for purposes of the Series 1994-1 Bonds, references therein to Section 4.01(b) shall refer to subsection (d) of this Section 2 and references therein to Section 4.01(d) shall refer to subsection (c) of this Section 2.

Section 3. Application of Proceeds of Series 1994-1 Bonds. The proceeds of sale of the Series 1994-1 Bonds shall be allocated and deposited as provided in the Bond Legislation for the Series 1994-1 Bonds. In accordance therewith, $154,258.85 of those proceeds representing accrued interest shall be deposited into the Interest Account in the Bond Fund, $3,546,984.00 of those proceeds, representing the Bond Funded Reserve Requirement for the Series 1994-1 Bonds, shall be deposited into the Bond Funded Reserve Fund,

$29,086,562.64 of those proceeds shall be deposited in the Escrow Fund pursuant to the Escrow Agreement hereafter described and the balance of those proceeds shall be deposited into the Proceeds Account of the Project Fund. Concurrently all amounts on deposit in the Principal and Interest Accounts in the Bond Fund (but not the Earnings Account) and the Bond Funded Reserve Fund (except to the extent directed to be retained as described above), in each case prior to the deposits described in the preceding sentence, shall be transferred in immediately available funds to Society National Bank, as trustee (the "Escrow Trustee") under the Escrow Agreement dated as of even date herewith (the "Escrow Agreement") among the Issuer, the Company and the Escrow Trustee, for deposit, investment and redemption of the Refunded Bonds, all in accordance with the terms of the Escrow Agreement. In accordance with the Escrow Agreement, all investment earnings on the Escrow Fund shall, upon receipt by the Escrow Trustee, be transferred to the Trustee for deposit into the Proceeds Account of the Project Fund. The Trustee represents and warrants that, as of the date of issuance of the Series 1994-1 Bonds and except for moneys to be deposited in the Project Fund from the proceeds of the Series 1994-1 Bonds, there are and shall be no moneys deposited in or credited to the Project Fund or the Company Funded Reserve Fund. The Company Funded Reserve Fund was heretofore released pursuant to the terms of the Indenture and, accordingly, there is no Company Funded Reserve Requirement with respect to the Series 1994-1 Bonds and Section 5.04(f) of the Original Indenture shall be of no further force and effect.

Section 4. Special Funds. Moneys in the Special Funds pertaining to the Series 1994-1 Bonds shall be held, invested, used and disposed of in accordance with Article V of the Original Indenture except as expressly set forth herein and in the Lease, it being understood and agreed that the 1994 Additional Project constitutes an "Additional Project" for all purposes of the Indenture and the Lease and that the 1994 Project constitutes a "Project" for all purposes of the Indenture; provided, that the amount that may be disbursed from the Project Fund to pay "issuance costs" (as that term is used in Section 147(g) of the Code) with respect to the Series 1994-1 Bonds shall not exceed $722,400. The subparagraph numbered (v) of the definition of Eligible Investments, as heretofore set forth in Article I of the Indenture is hereby amended to read as set forth below, and that subparagraph, as heretofore set forth therein, is hereby deleted therefrom:

> (v) investment agreements (which term shall not include repurchase agreements) with a bank or bank holding company or an insurance company rated by a Rating Service in at least the second highest long term debt rating category, without distinction as to number or symbol assigned within a category, or, if such bank, bank holding company or insurance company has no long term debt rating, rated by a Rating Service in the highest short term debt rating category; provided that any such agreement shall be in writing and shall contain provisions that require the termination of such agreement not more than sixty (60) days after the provider of such agreement is downgraded by a Rating Service, if such downgrade results in the provider being disqualified as an investment agreement provider under this paragraph (v);

Section 5. Basic Rent, Net Facility Revenues and Issuer Payments; Amendment of Section 5.04(c) and Exhibit B of the Original Indenture. As permitted by the Indenture, upon the issuance of the Series 1994-1 Bonds and the defeasance of the Refunded Bonds, Section 5.04(c) of the Original Indenture is hereby amended, in its entirety, to read as follows:

> (c) Application of Basic Rent, Net Facility Revenues and Issuer Payments. On or prior to October 31, 2013, so long as there are any outstanding Series 1994-1 Bonds, all Basic Rent shall be paid by the Company directly to the Trustee and shall be in an amount which is sufficient to make the payments to be made from Basic Rent as described below. If the Lease is terminated in accordance with its terms prior to October 31, 2013 (or earlier with respect to Additional Bonds other than Series 1994-1 Bonds), the Net Facility Revenues derived from the Hub Facility shall be applied, but only to the extent thereof, to the payments to be made from Basic

Rent, as described below, when due; provided, however, that nothing herein requires or shall be construed to require that the Issuer make such payments except solely from and to the extent of such Net Facility Revenues. On and after November 1, 2013 (or earlier with respect to Additional Bonds other than Series 1994-1 Bonds), so long as there are any outstanding Series 1994-1 Bonds, the Issuer shall pay, but only out of Net Revenues, the Issuer Payments directly to the Trustee, on or before each Issuer Payment Date, in amounts which are sufficient to make all of the deposits and payments required to be made on or before each Issuer Payment Date as described below. The Basic Rent, the Issuer Payments and any amounts paid to the Trustee under the Guaranty or otherwise received by the Trustee, including from the Issuer, in payment of Bond Service Charges shall be deposited by the Trustee as follows (provided that any interest or penalty paid to the Trustee with respect to a late Basic Rent payment pursuant to Section 3.6 of the Lease shall be promptly delivered by the Trustee to the Issuer):

(1) To the applicable subaccounts of the Principal Account and the Interest Account of the Bond Fund, commencing on or prior to the April 1994 Rental Payment Date, and monthly thereafter on or prior to each Rental Payment Date, the amounts set forth in or pursuant to Section 3.1 of the Lease unless otherwise provided, and provided for, therein;

(2) To the applicable subaccounts of the Principal Account and the Interest Account of the Bond Fund, on or prior to each Issuer Payment Date, the amounts set forth on the Issuer Payment Schedule attached as Exhibit B hereto and incorporated herein by reference and, on or prior to the date established by the Trustee, the amount of any accelerated Issuer Payments accelerated pursuant to Section 7.03 hereof; provided, that in the event that the Issuer issues Additional Bonds, the Issuer Payment Schedule shall, if necessary, be adjusted to include any Issuer Payments to be made by the Issuer with respect to such Additional Bonds to the extent that the Issuer has agreed to make such payments out of Net Revenues, which adjustment may be by preparation and delivery of additional or replacement schedules to be attached as part of Exhibit B or by Supplemental Indenture; and provided, further, that if any of the Bonds are redeemed other than pursuant to the mandatory sinking fund requirements of the Indenture, there shall be prepared by the Trustee and delivered to the Issuer replacement schedules to be attached as Exhibit B hereto setting forth the amounts of Issuer Payments to be paid pursuant to this subparagraph after such redemption;

(3) Except as otherwise provided herein, to the applicable account in the Bond Funded Reserve Fund: (i) on or prior to the Rental Payment Date or Issuer Payment Date next succeeding the date on which the amount on deposit in such account in the Bond Funded Reserve Fund is below the applicable Bond Funded Reserve Requirement in part because moneys are transferred from such account in the Bond Funded Reserve Fund to the Interest Account or the Principal Account pursuant to the provisions of Section 5.04(e) hereof an amount equal to the amount necessary to repay the transfer, and (ii) on or prior to the Rental Payment Date or Issuer Payment Date next succeeding the date on which the Company or the Issuer, as applicable, receives notice pursuant to Section 5.05 hereof that the balance in an account of the Bond Funded Reserve Fund is less than ninety percent (90%) of the applicable Bond Funded Reserve Requirement, and monthly thereafter on or prior to each Rental Payment Date or Issuer Payment Date until the balance is restored, an amount not less than 1/3rd of the amount necessary to make the balance in such account of the Bond Funded Reserve Fund at least equal to the applicable Bond Funded Reserve Requirement; and

(4) In each case and on or prior to each Rental Payment Date or Issuer Payment Date any amount which may be necessary to make up any previous deficiency in any of

the payments described above and to make up any deficiency or loss in the respective funds or accounts to which payments are required to be made, in connection with investments or otherwise, including without limitation, the restoration of any amounts paid from any of those funds or accounts pursuant to this Indenture, except as provided otherwise expressly herein.

The Basic Rent and Issuer Payments to be made with respect to any series of Additional Bonds shall be made in accordance with this subsection; provided, however, that, in any event, the aggregate of the Basic Rent and, as applicable, Issuer Payments to be made hereunder shall always be sufficient to pay, when due, the Bond Service Charges.

The Issuer Payment Schedule, Exhibit B to the Indenture is hereby amended, in its entirety, by replacing said Schedule with the Issuer Payment Schedule set forth in Exhibit B hereto. The provisions of Section 5.04(c) and Exhibit B of the Original Indenture, as set forth therein, are hereby replaced by the provisions set forth in or pursuant to this Section 5 and the provisions of Section 5.04(c) and Exhibit B of the Original Indenture are deleted from the Indenture and of no further force and effect.

Section 6. Concerning the Trustee. The Trustee hereby accepts the trusts hereby declared and provided and agrees to perform the same upon the terms and conditions set forth in the Original Indenture and in this First Supplemental Indenture. Except as specifically provided by the Original Indenture or set forth herein, the Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or the due execution thereof by the Issuer, nor for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer.

Section 7. The Original Indenture. Wherever in the Original Indenture the name "Trustcorp Bank, Ohio" appears it is hereby amended to read "Society National Bank" and references to its corporate trust office are amended to read "its Toledo, Ohio corporate trust office". Wherever in the Original Indenture the date "October 1, 2012" appears it is hereby amended to read "November 1, 2013". Except as explicitly modified by this First Supplemental Indenture, each and every term and condition contained in the Original Indenture shall apply to this First Supplemental Indenture with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplemental Indenture. In accordance with Section 8.05 of the Original Indenture, all the terms and conditions of this First Supplemental Indenture shall be part of the terms and conditions of the Indenture.

Section 8. Binding Effect. This First Supplemental Indenture shall inure to the benefit of and shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in the Indenture.

Section 9. Counterparts. This First Supplemental Indenture may be executed in counterpart, and in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

SECTION 10. GOVERNING LAW. THIS FIRST SUPPLEMENTAL INDENTURE AND THE SERIES 1994-1 BONDS SHALL BE DEEMED TO BE CONTRACTS MADE UNDER THE LAWS OF THE STATE AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE.

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IN WITNESS WHEREOF, the Issuer has caused this First Supplemental Indenture to be executed for it and in its name and on its behalf by its duly authorized officers; and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this First Supplemental Indenture to be executed for it and in its name and on its behalf by its duly authorized officer, as Trustee and as Registrar for the Series 1994-1 Bonds, all as of the day and year first above written.

Signed as to the Issuer in the presence of:

TOLEDO-LUCAS COUNTY PORT AUTHORITY

_____ By: _____
Chairman

_____ And By:_____
Witnesses as to the Issuer) Secretary

Signed as to the Trustee and Registrar the presence of:

SOCIETY NATIONAL BANK, as Trustee, and as Registrar for the Series 1994-1 Bonds

_____ By:_____
Vice President

_____
(Witnesses as to the Trustee and Registrar)

Approved as to form by _____
Staff Counsel

FISCAL OFFICER'S CERTIFICATE

The undersigned, Fiscal Officer of the Issuer under the foregoing First Supplemental Indenture, certifies hereby that the moneys required to meet the obligations of the Issuer during the year 1994 under the foregoing First Supplemental Indenture have been appropriated lawfully by the Board of Directors of the Issuer for that purpose, are in the Special Funds created under the Indenture and are in the custody of the Trustee or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: March __, 1994

_____
Secretary, Toledo-Lucas County
Port Authority

EXHIBIT B

Issuer Payment Schedule

The following schedule sets forth the Issuer Payments to be made by the Issuer pursuant to Section 5.04(c) of the Indenture, which payments are to be paid on the Issuer Payments Dates next preceding the dates set forth on such schedule.

Month	Monthly Principal Payment	Monthly Interest Payment	Total Monthly Payment
12/01/2013	193,333.34	104,039.58	297,372.92
01/01/2014	193,333.34	104,039.58	297,372.92
02/01/2014	193,333.34	104,039.58	297,372.92
03/01/2014	193,333.34	104,039.58	297,372.92
04/01/2014	193,333.34	104,039.58	297,372.92
05/01/2014	198,750.00	89,781.25	288,531.25
06/01/2014	198,750.00	89,781.25	288,531.25
07/01/2014	198,750.00	89,781.25	288,531.25
08/01/2014	198,750.00	89,781.25	288,531.25
09/01/2014	198,750.00	89,781.25	288,531.25
10/01/2014	198,750.00	89,781.25	288,531.25
11/01/2014	198,750.00	89,781.25	288,531.25
12/01/2014	198,750.00	89,781.25	288,531.25
01/01/2015	198,750.00	89,781.25	288,531.25
02/01/2015	198,750.00	89,781.25	288,531.25
03/01/2015	198,750.00	89,781.25	288,531.25
04/01/2015	198,750.00	89,781.25	288,531.25
05/01/2015	213,750.00	74,875.00	288,625.00
06/01/2015	213,750.00	74,875.00	288,625.00
07/01/2015	213,750.00	74,875.00	288,625.00
08/01/2015	213,750.00	74,875.00	288,625.00
09/01/2015	213,750.00	74,875.00	288,625.00
10/01/2015	213,750.00	74,875.00	288,625.00
11/01/2015	213,750.00	74,875.00	288,625.00
12/01/2015	213,750.00	74,875.00	288,625.00
01/01/2016	213,750.00	74,875.00	288,625.00
02/01/2016	213,750.00	74,875.00	288,625.00
03/01/2016	213,750.00	74,875.00	288,625.00
04/01/2016	213,750.00	74,875.00	288,625.00
05/01/2016	230,416.67	58,843.75	289,260.42
06/01/2016	230,416.67	58,843.75	289,260.42
07/01/2016	230,416.67	58,843.75	289,260.42
08/01/2016	230,416.67	58,843.75	289,260.42
09/01/2016	230,416.67	58,843.75	289,260.42
10/01/2016	230,416.67	58,843.75	289,260.42
11/01/2016	230,416.67	58,843.75	289,260.42
12/01/2016	230,416.67	58,843.75	289,260.42

Month	Monthly Principal Payment	Monthly Interest Payment	Total Monthly Payment
01/01/2017	230,416.67	58,843.75	289,260.42
02/01/2017	230,416.67	58,843.75	289,260.42
03/01/2017	230,416.67	58,843.75	289,260.42
04/01/2017	230,416.67	58,843.75	289,260.42
05/01/2017	259,166.67	41,562.50	300,729.17
06/01/2017	259,166.67	41,562.50	300,729.17
07/01/2017	259,166.67	41,562.50	300,729.17
08/01/2017	259,166.67	41,562.50	300,729.17
09/01/2017	259,166.67	41,562.50	300,729.17
10/01/2017	259,166.67	41,562.50	300,729.17
11/01/2017	259,166.67	41,562.50	300,729.17
12/01/2017	259,166.67	41,562.50	300,729.17
01/01/2018	259,166.67	41,562.50	300,729.17
02/01/2018	259,166.67	41,562.50	300,729.17
03/01/2018	259,166.67	41,562.50	300,729.17
04/01/2018	259,166.67	41,562.50	300,729.17
05/01/2018	295,000.00	22,125.00	317,125.00
06/01/2018	295,000.00	22,125.00	317,125.00
07/01/2018	295,000.00	22,125.00	317,125.00
08/01/2018	295,000.00	22,125.00	317,125.00
09/01/2018	295,000.00	22,125.00	317,125.00
10/01/2018	295,000.00	22,125.00	317,125.00
11/01/2018	295,000.00	22,125.00	317,125.00
12/01/2018	295,000.00	22,125.00	317,125.00
01/01/2019	295,000.00	22,125.00	317,125.00
02/01/2019	295,000.00	22,125.00	317,125.00
03/01/2019	295,000.00	22,125.00	317,125.00
04/01/2019	295,000.00	22,125.00	317,125.00

CONSENT OF COMPANY

Burlington Air Express Inc. (formerly known as Burlington Air Express USA Inc.), the Company as defined in the First Supplemental Indenture to which this Consent is attached, in accordance with Section 8.04 of the Original Indenture referred to therein, hereby acknowledges prior written notice of, and consents to, the execution and delivery of the foregoing First Supplemental Indenture.

Dated: March __, 1994

BURLINGTON AIR EXPRESS INC.

By: _____
Chairman of the Board

And by: _____
Treasurer

CONSENT OF ORIGINAL PURCHASER

The undersigned Miller & Schroeder Financial, Inc., by its duly authorized officer, hereby certifies that on the date of this Certificate, pursuant to a Bond Purchase Agreement dated March ___, 1994, it purchased and received delivery of all of the Toledo-Lucas County Port Authority Airport Refunding and Improvement Revenue Bonds, Series 1994-1 (Burlington Air Express Project) dated as of March 1, 1994 (the "Series 1994-1 Bonds") in exchange for payment therefor and thereupon became the owner of all of the Series 1994-1 Bonds and as such owner, the undersigned hereby acknowledges prior written notice of the execution and delivery of the First Supplemental Indenture to which this Consent is attached, including the amendments therein of the Original Indenture referred to therein, and as such owner consents to that execution and delivery and to those amendments and waives any required compliance with subparagraph 9 of the second paragraph of Section 2.04 of the Original Indenture.

Dated: March __, 1994

MILLER & SCHROEDER FINANCIAL, INC.

By: _____
Senior Vice President

EXHIBIT 10.2

THIRD SUPPLEMENT TO LEASE

between

TOLEDO-LUCAS COUNTY PORT AUTHORITY, as Lessor

and

BURLINGTON AIR EXPRESS INC., as Lessee

Dated as of June 1, 1991

Supplemental Memorandum of Lease filed for record on October 1, 1991 at 8:55 o'clock a.m., E.D.S.T., as Instrument No. M91-144A06 in LUCAS COUNTY, OHIO, RECORDS

This Third Supplement to Lease supplements a Lease between the above-named Lessor and Lessee dated as April 1, 1989, as previously amended and supplemented by a First Supplement to Lease dated as of January 1, 1990 and a Revised and Amended Second Supplement to Lease dated as of September 1, 1990, both between the Lessor and the Lessee. A Restated Memorandum of Lease was filed for record on October 1, 1990 at 12:44 o'clock p.m. E.D.S.T., as Instrument No. M90-1318C06 in the Records of Lucas County, Ohio

THIRD SUPPLEMENT TO LEASE

This Third Supplement to Lease ("Supplement") dated as of the first day of June, 1991 between the Toledo-Lucas County Port Authority ("Port Authority"), a port authority and political subdivision and a body corporate and politic, duly created and validly existing under the laws of the State of Ohio ("State"), and Burlington Air Express Inc. ("Burlington"), a for profit corporation organized and existing under the laws of the State of Delaware and duly authorized to transact business in the State;

WITNESSETH:

WHEREAS, the Port Authority, as lessor, and Burlington, as lessee, have heretofore entered into a Lease dated as of April 1, 1989, as amended and supplemented by a First Supplement to Lease dated as of January 1, 1990 and a Revised and Amended Second Supplement to Lease dated as of September 1, 1990 both between the Port Authority and Burlington (as the same may be further amended and supplemented, the "Lease") and have caused a Restated Memorandum of Lease to be filed for record as described on the cover page hereto (all terms used herein as defined terms and not defined herein being used, unless the context requires otherwise, as those terms are defined or used in the Lease as heretofore amended); and

WHEREAS, the Lease provides, among other things, for acquiring, constructing, improving, equipping and developing the Project, including

the Hub Facility and the Fuel Farm, and for the lease by the Port Authority to Burlington of, among other things, the Hub Facility and the Initial Site, for the use by Burlington of the Fuel Farm, including the Aviation Fuel Facility and the Diesel and Gasoline Tanks, and for the exercise by Burlington of an option to lease the Expansion Site; and

WHEREAS, the Port Authority and Burlington have determined to modify the terms of the Lease in certain respects and to set forth their agreements in that regard in this Supplement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and for other good and valuable considerations, receipt of which is hereby acknowledged, the Port Authority and Burlington hereby covenant and agree as follows:

Section 1. Amendments to Lease. The Port Authority and Burlington hereby covenant and agree to amend the Lease (as heretofore amended and supplemented) as and to the extent provided for in this Section. The Port Authority and Burlington hereby covenant and agree that the portions of the Lease to be amended shall be amended to read as set forth below and that those provisions of the Lease (as heretofore amended and supplemented), and any other provisions thereof, to the extent inconsistent with the provisions set forth below, shall be considered deleted therefrom and of no further force and effect:

a. Section 2.4 of the Lease shall be and is hereby amended, in its entirety, to read as follows:

Section 2.4. Option to Lease Expansion Site. Upon and subject to the provisions herein set forth, and in further consideration of the Land Rental and the covenants and agreements herein contained, the Lessor hereby irrevocably grants to the Lessee the exclusive right, at its sole option, to lease all or any portion of the Expansion Site (in increments of one acre or integral multiples thereof) upon the same terms and conditions as are contained in this Lease, including increased monthly Land Rental. The Lessor and the Lessee agree that the precise size and location of the Expansion Site will be agreed upon and included in one or more supplements to this Lease as soon as practicable, including in connection with one or more exercises of the option granted in this Section. The option granted may be exercised by the Lessee, at its sole expense, by delivering written notice of the exercise of that option to the Lessor at any time, or from time to time, during the period ending on the tenth anniversary of the Date of Occupancy; provided, however that if the Expansion Site is not owned or leased by the Lessor, in its entirety, on or before the Date of Occupancy, the option granted in this Section shall be extended by one day for each day thereafter during which such property is not acquired. Upon the exercise of that option, the Expansion Site or portion thereof as to which the option is exercised shall be a part of the Leased Real Property and shall remain so, unless released in accordance herewith, for the remainder of the Lease Term. Upon exercise of that option, officers of the Lessor shall execute and deliver, without further action of the Legislative Authority, a supplement to this Lease which leases to the Lessee that portion of the Expansion Site as to which the option granted in this Section is then exercised.

b. The subparagraph numbered (vii) of the second paragraph of Section 4.1 of the Lease shall be and is hereby amended, in its entirety, to read as follows:

(vii) The Lessor hereby agrees to provide, on or prior to the Delivery Date and at its sole cost, all infrastructure for the Project, including without limitation, utilities, sewer lines, a retention pond, if necessary, and access roads at the Airport to the Leased Real Property, the Ramp Site and the site of the Fuel Farm sufficient to support the requirements thereof; provided, that the sewer and water facilities to be provided by the Lessor to the site of the Hub Facility shall be available and operational not later than August 15, 1991.

c. Section 7.11 of the Lease shall be and is hereby amended, in its entirety to read as follows:

Section 7.11. Fuel Farm; Fees. As provided in Section 2.2 of this Lease, the Fuel Farm shall be available for the exclusive use of the Lessee during the Lease Term commencing on

the Delivery Date. The Lessor hereby agrees, in consideration of the payments by the Lessee provided for herein and determined as set forth below, that the Lessee may elect to provide its own fuel services and maintain the Aviation Fuel Facility or contract with an operator reasonably acceptable to the Lessor for the management, maintenance and operation thereof. The Lessor will cooperate and assist in the implementation thereof upon the reasonable request of the Lessee. During the Lease Term, the Lessee agrees that it shall fuel its aircraft at the Airport as often as is operationally practical. Notwithstanding any other provision of this Lease to the contrary, the Lessor shall not, at any time, be required to operate any portion of the Fuel Farm or otherwise to provide in any way for into-plane or deplane fueling of the Lessee's aircraft, including leased and chartered aircraft.

While operating the Fuel Farm, the Lessee hereby agrees to be responsible, and shall be responsible, for ensuring compliance with all federal, state and local governmental regulations pertaining to the operation and use of the Fuel Farm, including any generally applicable and non-discriminatory regulations adopted by the Lessor in its capacity as the operator of the Airport, and for obtaining all necessary permits for the use and operation of the Aviation Fuel Facility or the Diesel and Gasoline Tanks, as applicable. The Lessor agrees that it will not impose any lien on the fuel received at the Fuel Farm.

In consideration of the agreement of the Lessor and the Lessee to finance the Fuel Farm from the proceeds of the Project Bonds and of the value of the right of use of the Fuel Farm granted hereby, the Lessee agrees as follows:

(i) To pay, as Additional Payments pursuant to Section 3.2 hereof, on or prior to each Rental Payment Date commencing with the November 1991 Rental Payment Date, as Fuel Fees for the provision and use of the Fuel Farm, the amount of $1,052.98 each month during the Initial Term.

(ii) Commencing on January 1, 1993, to pay, as Additional Payments pursuant to Section 3.2 hereof, a royalty based on the aviation fuel planed and deplaned to and from Burlington's planes (including leased and chartered planes), calculated as described below in this subparagraph. Unless otherwise agreed in writing by the Lessor and the Lessee, that royalty shall be calculated on a daily (any calendar day) fuel flowage basis with the royalty fixed at the rate of (A) $0.0050 (0.50 cents (1/2 of one cent) or 5 mills) per gallon (up to 60,000 gallons) of aviation fuel planed or deplaned for or on behalf of the Lessee from the Aviation Fuel Facility or otherwise provided at the Airport, (B) $0.0034 (0.34 cents (thirty-four one-hundredths of one cent) or 3.4 mills) per such gallon per day (for each gallon above 60,000 gallons but not more than 90,000 gallons), (C) $0.0020 (0.20 cents (1/5 of one cent) or 2 mills) per such gallon per day (for each gallon above 90,000 gallons but not more than 120,000 gallons) and (D) $0.0010 (0.10 cents (1/10 of one cent) or 1 mill) per such gallon per day (for each gallon above 120,000 gallons in any day). Within ten (10) business days after the end of each month, commencing in February 1993 (with respect to January 1993) during the Lease Term, the Lessee will provide the Lessor with written verification of the total number of gallons of aviation fuel planed or deplaned from the Aviation Fuel Facility or otherwise provided at the Airport to the Lessee's planes during such month and will thereupon pay, or cause to be paid, the royalty to be paid pursuant to this subparagraph.

(iii) If, at any time, the Lessor and the Lessee agree to permit the Lessee to provide fuel service to aircraft other than the Lessee's at the Airport, the Lessee shall pay, as Additional Payments pursuant to Section 3.2 hereof, or shall cause to be paid, to the Lessor a fixed rate of

not less than $0.0050 (0.50 cents (1/2 of one cent) or 5 mills) per gallon planed or deplaned with respect to the aircraft of others.

It is understood by the Lessor that the Lessee has the right to fuel its cargo tugs, forklifts, loaders, snow removal equipment, pickup trucks, company cars, any other equipment of the Lessee and the freight trucks used by the Lessee from the Diesel and Gasoline Tanks. It is understood by the Lessee that the Lessor intends and expects to fuel any sweepers and snow removal or other equipment purchased to fulfill its maintenance obligations under Section 11.2 hereof from the Diesel and Gasoline Tanks. The Lessor and the Lessee agree to negotiate in good faith to reach an agreement regarding the operation of, the provision of fuel to, the priority of fueling from and compensation for the use or services of the Diesel and Gasoline Tanks. Absent such an agreement, the Lessee (or its agents, operators or independent contractors) shall have the right to operate the Diesel and Gasoline Tanks in accordance herewith without any obligation to pay any fee or royalty to the Lessor.

The Lessor shall have no obligation whatsoever to operate, or provide fuel services from, or to maintain any portion of the Fuel Farm. Unless the context shall otherwise require, all requirements of this Lease (including without limitation Article VII hereof) relating to the Fuel Farm shall apply to each of the Aviation Fuel Facility and the Diesel and Gasoline Tanks, as applicable. The Lessor shall have the right, at times of reasonable frequency, to inspect the Fuel Farm, the fuel being pumped into Lessee's planes and other equipment, all fuel pumping and related equipment and any component thereof, and all gauges for measuring the fuel and any records maintained by the Lessee in connection with the fuel.

Section 2. Additional Agreements Pertaining to the Expansion Site. The Port Authority and Burlington, in accordance with Section 2.4 of the Lease, hereby designate the real estate described in Exhibit A attached hereto and incorporated by reference as a portion of the Expansion Site. Burlington hereby exercises its option, granted pursuant to Section 2.4 of the Lease, to lease the portion of the Expansion Site described in Exhibit A hereto (the "Leased Expansion Site"), upon the same terms and conditions as are contained in the Lease with respect to the lease of all other Leased Real Property, including increased monthly Land Rental; provided that such increased monthly Land Rental shall not commence until the first Rental Payment Date after the latest of (i) November 1, 1991, (ii) the date of commencement of construction with respect to the building described as TIC-1 below, and (iii) the provision of water and sewer facilities to the boundary of the Leased Expansion Site by the Port Authority as provided below in this Section 2. Burlington declares its, and the Port Authority acknowledges Burlington's present intention to construct a structure shown on Burlington's technical representative's preliminary drawing dated January 20, 1991 as BAX-TIC-C-00, which building ("TIC-1") is to be a two-story building of approximately 48,000 square feet constructed on the Leased Expansion Site in accordance with the plans and specifications therefor. The Port Authority acknowledges that the Lessee has delivered plans and specifications for TIC-1 to it and that, by its signature hereto, it consents, pursuant to Section 7.8 of the Lease to the construction of TIC-1. Burlington shall be permitted to construct TIC-1 at its sole cost and expense and in compliance with the applicable provisions of the Lease; provided that the Port Authority agrees that, by November 15, 1991 (or by such date as may be agreed to by Burlington), the Port Authority will, at its sole cost and expense (except for the tap-in charge described in the next succeeding sentence) provide water and sewer facilities to the boundary of the Leased Expansion Site for TIC-1, in accordance with plans and specifications approved by the Authorized Lessor Representative and the Burlington Project Representative, and will connect those water and sewer facilities to the Airport's existing water and sewer systems. At the inception of water and sewer service to TIC-1, Burlington shall pay to the Port Authority, a one-time tap-in charge that corresponds with tap-in charges for a building of the size and type of the TIC-1 building, determined under the standard schedule of water and sewer tap-in charges for buildings and structures on the Airport, which tap-in charge shall not exceed $25,000. Burlington will also pay all water and sewer usage charges based upon customary rates during the Lease Term. In accordance with

Section 7.1 of the Lease, the TIC-1 building will be the property of Burlington during the Lease Term. Subject to the express terms of the Lease and the Airport Operating Agreement, Burlington shall be responsible for all matters pertaining to maintenance, repairs, operation, taxes, utility charges and insurance with respect to TIC-1.

Section 3. Ratification of Lease. As supplemented hereby, the Lease is, in all respects, ratified and confirmed and remains in full force and effect.

Section 4. General Agreements. This Third Supplement shall take effect upon the execution and delivery thereof and shall continue in effect until the expiration of the Lease Term. The Port Authority and Burlington agree that they will execute and deliver such further documents and do such further acts and things as are necessary fully to effect the purposes of this Third Supplement. Each party is responsible for its own legal fees arising from the preparation and execution of this Third Supplement and from any such further documents, acts and things required; provided, however, that nothing herein shall be construed to alter the arrangements in the Lease and the Indenture concerning the payment of legal fees for any Person other than the Port Authority and Burlington. This Third Supplement shall be governed by and construed in accordance with the laws of the State and shall inure to the benefit of and be binding upon the Port Authority and Burlington and their respective successors and assigns. The Lease, as amended and supplemented by the First Supplement, the Second Supplement and this Third Supplement, constitutes the entire agreement of the Port Authority and Burlington with respect to the subject matter thereof and supersedes all other oral and written agreements prior to the effective date hereof with respect thereto. Any provision hereof invalid under any law shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. This Third Supplement may be executed in counterpart, and in several counterparts each of which shall be deemed an original.

IN WITNESS WHEREOF, the Port Authority and Burlington have caused this Third Supplement to Lease to be duly executed in their respective names by their duly authorized officers all as of the date first hereinbefore written.

Signed and acknowledged as to the Port Authority in the presence of:

TOLEDO-LUCAS COUNTY PORT AUTHORITY

_____

By: _____
President and Authorized Lessor Representative

_____
(Witnesses as to both)

By:_____
Assistant Secretary

Signed and acknowledged as to Burlington in the presence of:

BURLINGTON AIR EXPRESS INC.

_____

By:_____
Joint Chief Executive Officer

_____
(Witnesses as to both)

By:_____
Senior Vice President, Finance and Controller

Approved as to form: _____
Staff Counsel

STATE OF OHIO)
) SS:
COUNTY OF LUCAS)

On this _____ day of June, 1991, before me, a Notary Public in and for said County and State, personally appeared Gary L. Failor and Jerry J. Arkebauer, President and Assistant Secretary, respectively, of the Toledo-Lucas County Port Authority, and acknowledged that they did sign the foregoing instrument as such officers of said Port Authority, respectively, for and on behalf of said Port Authority and by authority granted by law and by the Board of Directors of said Port Authority and that the same is their voluntary act and deed as such officers on behalf of said Port Authority and the voluntary and corporate act and deed of said Port Authority.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Seal]

_____
Notary Public

STATE OF)
) SS:
COUNTY OF)

On this _____ day of June, 1991, before me, a Notary Public in and for said County and State, personally appeared Roger I. MacFarlane and Robert Arovas, Joint Chief Executive Officer and Senior Vice President, Finance and Controller, respectively, of Burlington Air Express Inc., and acknowledged that they did sign the foregoing instrument as such officers of said corporation, respectively, for and on behalf of said corporation and by authority granted by the Board of Directors of said corporation and that the same is their voluntary act and deed as such officers on behalf of said corporation and the voluntary and corporate act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Seal]

_____
Notary Public

This instrument was prepared by: Jeffrey A. Bomberger
Squire, Sanders & Dempsey
1800 Huntington Building
Cleveland, Ohio 44115

CERTIFICATE

The undersigned, Fiscal Officer of the Port Authority under the aforesaid Third Supplement to Lease, hereby certifies that the moneys required to meet the obligations of the Port Authority during the year 1991 under the Third Supplement to Lease have been lawfully appropriated by the Board of Directors of the Port Authority for such purposes and are in the treasury of the Port Authority or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: August 6, 1991

_____

Secretary, Toledo-Lucas County Port Authority

CONSENT OF TRUSTEE

The undersigned, the Trustee identified below, by the undersigned duly authorized officer, hereby (i) acknowledges receipt of notice of the foregoing Third Supplement to Lease and the amendments, changes, modifications, covenants and agreements therein made, (ii) determines that such amendments, changes and modifications of the Lease referred to therein are required in connection with changes therein which are not to the prejudice of the Trustee or the holders of the Bonds issued under the Trust Indenture referred to below, and (iii) consents to that Third Supplement to Lease and the amendments, changes, modifications, covenants and agreements therein made.

SOCIETY BANK & TRUST, as Trust under a Trust Indenture, dated as of April 1, 1989, with the Port Authority identified in the foregoing Third Supplement to Lease.

Dated: June 20, 1991

By:_____
Assistant Vice President

CONSENT OF DIRECTOR

The undersigned, The Director of Development of the State of Ohio, by the undersigned duly authorized officer, hereby acknowledges receipt of notice of, and hereby consents to, the foregoing Third Supplement to Lease and the amendments, changes, modifications, covenants and agreements therein made to the extent, if any, that those amendments, changes, modifications, covenants and agreements are material to that Director.

THE DIRECTOR OF DEVELOPMENT OF
THE STATE OF OHIO

Dated: July 12, 1991

By:_____
Deputy Director, Division of
Economic Development Financing

EXHIBIT A

LEASED EXPANSION SITE

Being a parcel of land in the Northeast one-quarter (1/4) of the Southwest one-quarter (1/4) of Section 10, Town 7 North, Range 9 East in Swanton Township, Lucas County, Ohio being more particularly bounded and described as follows:

Commencing at the center of said Section 10, said point being a stone monument; thence South 00 degrees 30' 35" East, along the North-South centerline of said Section 10.81.40 feet, to the POINT OF BEGINNING: thence continuing South 00 degrees 30' 35" East, along the said North-South centerline of Section 10, 818.30 feet, more or less, to the centerline of Maumee-Western Road; thence North 67 degrees 44' 47" West, along the said centerline of Maumee-Western Road, 396.00 feet; thence North 00 degrees 30' 35" West, 404.97 feet to a point of curve; thence along a circular curve to the right or East, said curve having a radius of 331.97 feet, an arc length of 304.63 feet, said arc subtending a central angle of 52 degrees 34' 41" and having a chord bearing and distance of North 25 degrees 46' 48" East, 294.06 feet; thence South 89 degrees 38' 50" East, 234.94 feet, more or less, to the point of beginning. Containing 6.00 acres of land, more or less. Subject to legal highways, easements and restrictions of record.

EXHIBIT 10.3

FOURTH SUPPLEMENT TO LEASE

between

TOLEDO-LUCAS COUNTY PORT AUTHORITY, as Lessor

and

BURLINGTON AIR EXPRESS INC., as Lessee

Dated as of March 1, 1994

Second Restated Memorandum of
Lease filed for record on
March 22, 1994 at _____ o'clock
__ .m., E.S.T., at M94-_____
in the LUCAS COUNTY, OHIO
RECORDS

This Fourth Supplement to Lease supplements a Lease between the named Lessor and Lessee dated as of April 1, 1989, as previously supplemented by a First Supplement to Lease dated as of January 1, 1990, a Revised and Amended Second Supplement to Lease dated as of September 1, 1990 and a Third Supplement to Lease dated as of June 1, 1991, each between the Lessor and the Lessee. A Restated Memorandum of Lease was filed for record on October 1, 1990 at 12:44 o'clock p.m. E.D.S.T., at M90-1318C06 in the Records of Lucas County, Ohio and the Third Supplement to Lease was filed for record on October 1, 1991 at 8:55 o'clock a.m. E.D.S.T., at M91-1446A06 in the Records of Lucas County, Ohio.

FOURTH SUPPLEMENT TO LEASE

This Fourth Supplement to Lease (the "Fourth Supplement") dated as of March 1, 1994 between the Toledo-Lucas County Port Authority (the "Issuer"), a port authority and political subdivision and a body corporate and politic, duly created and validly existing under the laws of the State of Ohio (the "State"), and Burlington Air Express Inc. (formerly known as Burlington Air Express USA Inc.) (the "Company"), a for profit corporation organized and existing under the laws of the State of Delaware and duly authorized to transact business in the State;

W I T N E S E T H:

WHEREAS, the Issuer, as lessor, and the Company, as lessee, have heretofore entered into a Lease dated as of April 1, 1989 (the "Original Lease"), as amended and supplemented by a First Supplement to Lease dated as of January 1, 1990 (the "First Supplement"), a Revised and Amended Second Supplement to Lease dated as of September 1, 1990 (the "Second Supplement") and a Third Supplement to Lease dated as of June 1, 1991 (the "Third Supplement"), each between the Issuer and the Company (as so amended and supplemented, the "Existing Lease") and have caused a Restated Memorandum of Lease and the Third Supplement to be filed for record as described on the cover page hereto (all terms used herein as defined terms and not defined herein being used, unless the context requires otherwise, as those terms are defined or used in the Existing Lease); and

WHEREAS, the Lease provides, among other things, for acquiring, constructing, improving, equipping and developing the Project (including the Hub Facility) and Additional Projects from time to time, and for the lease by the Issuer to the Company of, among other things, the Leased Real Property (including the Expansion Site), the Hub Facility and the Additional Projects and for the use by the Company of the Airport operated by the Issuer; and

WHEREAS, at the request of the Company, the Issuer has authorized the issuance of its $36,120,000 Airport Refunding and Improvement Revenue Bonds, Series 1994-1 (Burlington Air Express Project) dated as of March 1, 1994 (the "Series 1994-1 Bonds") as Additional Bonds under the Indenture, including as modified by the First Supplemental Indenture of even date herewith between the Issuer and the Trustee (the "First Supplemental Indenture"), for the purposes of (i) refunding at a reduced interest cost certain outstanding revenue bonds previously issued to finance a portion of the costs of the Hub Facility as described in Exhibit A to the Original Lease as amended by the Second Supplement, and (ii) paying a portion of the costs of acquiring, constructing, improving, equipping and developing certain additional "port authority facilities", including "aviation facilities" (both terms used as defined in the Act); and

WHEREAS, the facilities described generally in Part I of Exhibit A to this Fourth Supplement are to be leased to the Company as an Additional Project under the Lease (the "1994 Additional Project") and the facilities described generally in Part II of Exhibit A to this Fourth Supplement are to be provided for the improvement of the Airport and the facilities and services thereof provided to the Company (the "1994 Airport Improvements" and, together with the 1994 Additional Project, the "1994 Project") and are intended and expected to be available for the use of the Company in accordance with the terms of this Fourth Supplement and the applicable provisions of the Existing Lease; and

WHEREAS, the Issuer and the Company have determined to modify the terms of the Existing Lease as permitted and required by the Existing Lease and the Indenture in connection with the issuance of the Series 1994-1 Bonds, the refunding of the Project Bonds and the financing of the 1994 Project, and to set forth their agreements in that regard in this Fourth Supplement;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer and the Company hereby covenant and agree as follows:

Section 1. Demise of 1994 Additional Project; Possession; Additional Project Term; Extension. The Issuer, in consideration of the rents, covenants and agreements stated in the Existing Lease, as supplemented and amended hereby, agrees to and does hereby lease to the Company and, in consideration of the issuance of the Series 1994-1 Bonds and the acquisition, construction, developing, improving, equipping and financing of the 1994 Project generally described in Exhibit A hereto, including the 1994 Additional Project described therein, which constitutes an "Additional Project" under, as defined in, and for all purposes of, the Lease, the Company agrees to and does hereby lease from the Issuer the 1994 Additional Project, subject to such encumbrances as are permitted by the Lease,

TO HAVE AND TO HOLD the 1994 Additional Project unto the Lessee for the Additional Project Term set forth in this Section and for the purposes set forth in the Lease.

Possession of the 1994 Additional Project shall be delivered and accepted upon the date of execution and delivery of this Fourth Supplement.

The "Additional Project Term" for the 1994 Additional Project, for all purposes of the Lease, shall commence on the date of execution and delivery of this Fourth Supplement and shall extend through October 31, 2013. Pursuant to the third and fourth paragraphs of Section 2.5 of the Original Lease, the Lease Term with respect to the 1994 Additional Project may be extended by the Company for three consecutive five year periods at fair market rental and the 1994 Additional Project may be purchased by the Company from the Issuer at certain times at fair market value. The notice and Opinion of Bond Counsel requirements set forth in the last three sentences of the first paragraph of Section 2.5 of the Original Lease with respect to extensions of the Initial Term for the Hub Facility shall apply to the extensions of the Additional Project Term for the 1994 Additional Project contemplated hereby, and, unless otherwise specified in the notice, any such notice given with respect to an extension of the Initial Term shall be deemed to include the notice required hereby with respect to the corresponding extension of that Additional Project Term.

Section 2. Adjustment of Basic Rent. Pursuant to and in accordance with Section 2.1 of the Original Lease as amended by the Second Supplement and with Section 3.1 of the Original Lease, in connection with the refunding of the Project Bonds from the proceeds of the refunding portion of the Series 1994-1 Bonds, the Basic Rent payable pursuant to the first paragraph (other than subparagraphs (iii) and (iv) thereof) of that Section 3.1 shall be adjusted to the amounts, in the aggregate, required to pay, when due, the aggregate amounts of principal of and interest on the refunding portion of the Series 1994-1 Bonds. The rental for the lease of the Hub Facility building and the Material Handling System as described in Part I of Exhibit A to the Original Lease as amended by the Second Supplement, on or prior to each Rental Payment Date during the remainder of the Initial Term, shall be the respective "Total Monthly Payment" set forth in Exhibit B hereto, to be used to pay a portion of principal of and interest on the refunding portion of the Series 1994-1 Bonds. The rental for the lease of the portion of the Moveable Hub Equipment described in Part II of Exhibit A to the Lease as amended by the Second Supplement, on or prior to each Rental Payment Date during the remainder of the initial Lease Term with respect thereto, shall be the respective "Total Monthly Payment" set forth in Exhibit C hereto, to be used to pay a portion of principal of and interest on the refunding portion of the Series 1994-1 Bonds. The foregoing rentals shall replace the rentals required by subparagraphs (i) and (ii) of the first paragraph of Section 3.1 of the Original Lease and Exhibits B and C hereto shall replace Schedules I and II of Exhibit D to the Original Lease as amended by the Second Supplement.

In addition to the foregoing, pursuant to and in accordance with Section 2.1 of the Original Lease as amended by the Second Supplement and with Section 3.1 of the Original Lease, and subject to the same terms and conditions applicable to other payments of Basic Rent under the Lease, the Company shall pay as additional Basic Rent under and for all purposes of the Lease, for the lease and use of the 1994 Project during the Additional Project Term for the 1994 Additional Project, on or prior to each Rental Payment Date during that Additional Project Term, the respective

amounts set forth as "Total Monthly Payments" in Exhibit D hereto to be used to pay the principal of and interest on the portion of the Series 1994-1 Bonds issued to finance the 1994 Project.

It is understood and agreed by the Issuer and the Company that, in addition to the last paragraph of Section 3.7 of the Original Lease (which, by its terms, applies to all of the Series 1994-1 Bonds), the last sentence of the penultimate paragraph of that Section 3.7 applies in the event of a Determination of Taxability with respect to the Series 1994-1 Bonds (as described in the First Supplemental Indenture).

Section 3. Issuance of Series 1994-1 Bonds. Upon the request of the Company, the Issuer has determined to and shall issue the Series 1994-1 Bonds as Additional Bonds under the Indenture, including as modified by the First Supplemental Indenture. The Project Bonds shall be refunded in accordance with the Escrow Agreement of even date herewith among the Issuer, the Company and the Trustee, as Escrow Trustee (the "Escrow Agreement"). The Company hereby approves the First Supplemental Indenture, and the terms of the Series 1994-1 Bonds and the use of the proceeds thereof and of the amounts in the Special Funds, all as set forth in the First Supplemental Indenture and the Escrow Agreement.

Section 4. Completion of Projects. The facilities financed with proceeds of the Project Bonds, including those facilities described in Exhibit A of the Original Lease as amended by the Second Supplement, were completed in accordance with the terms and provisions of the Existing Lease. The Company represents and warrants and the Issuer acknowledges and agrees, that the acquisition, construction and installation of the 1994 Additional Project were heretofore completed by the Company on behalf of the Issuer in accordance with their agreements regarding same including, without limitation, the Agreement to Issue Bonds entered into between them pursuant to Resolution No. 19-93 duly adopted by the Legislative Authority of the Issuer on March 11, 1993, and in accordance with the Plans and Specifications therefor provided to and approved by the Issuer. It is further understood and agreed that a portion of the costs of the 1994 Additional Project in the amount of $131,508 have heretofore been reimbursed to the Company from investment earnings on the moneys deposited in the Bond Funded Reserve Fund in connection with the issuance of the Project Bonds, all in accordance with Section 5.2(d) of the Original Lease as amended by the Second Supplement. The Company represents that the 1994 Additional Project was or is expected to be placed in service as described in Part I of Exhibit A. All such actions taken in connection with the completion of the 1994 Additional Project are hereby ratified and approved. At the time of issuance and delivery of the Series 1994-1 Bonds, the Company shall be reimbursed $2,235,374.63 from the Proceeds Account of the Project Fund upon provision to the Trustee of a disbursement request with respect to the completed portions of the 1994 Additional Project conforming substantially to the applicable requirements of the Existing Lease. In addition, to complete the 1994 Additional Project, amounts now estimated at $600,918.73 will be disbursed to pay or reimburse the Company for the payment of additional costs of the 1994 Additional Project upon provision to the Trustee of a disbursement request substantially in the form presented in connection with the disbursement referred to in the preceding sentence. Upon completion of the 1994 Additional Project, a completion certificate substantially conforming to the applicable requirements of the Existing Lease, which completion certificate shall be signed by the Burlington Project Representative, shall be provided to the Issuer and the Trustee. In addition, not more than $722,400.00 shall be disbursed from the Proceeds Account in the Project Fund, upon the written request of the Issuer and the Company, to pay or reimburse the Issuer and the Company for the payment of costs of issuance with respect to the Series 1994-1 Bonds. It is understood and agreed that the foregoing provisions with respect to the 1994 Additional Project, which constitutes an Additional Project for all purposes of the Lease, correspond to the provisions of the Existing Lease to the extent required by Section 4.4 of the Original Lease.

It is further understood and agreed that: (i) in accordance with applicable law and subject to receipt by the Issuer of final approval by the Federal Aviation Administration of the construction of, and of the funding by the FAA of 90% of the costs of, the south parallel taxiway included in the 1994 Airport Improvements, the Issuer shall acquire, construct, improve, equip

and develop the 1994 Airport Improvements; (ii) after the completion date of the south parallel taxiway, the Company shall have, during the Lease Term, the free and nonexclusive use thereof consistent with its right to use the Airport generally in accordance with Section 11.1 of the Original Lease; (iii) after that completion date, the Issuer shall, during the Lease Term, maintain the south parallel taxiway and its environs consistent with its covenants and agreements under Section 11.2 of the Original Lease as amended by the Second Supplement; and (iv) in consideration of the foregoing agreements of the Issuer with respect to the 1994 Airport Improvements, and to induce the Issuer to undertake such obligations, the Company hereby (A) approves the disbursement, in accordance herewith, of amounts in the Proceeds Account of the Project Fund to pay or reimburse the Issuer for payment of the costs of the 1994 Airport Improvements and (B) agrees to pay to the Trustee the portion of the Basic Rent referred to in the second paragraph of Section 2 above relating to the 1994 Airport Improvements. Anything herein or in the Existing Lease or any other document to the contrary notwithstanding, the 1994 Airport Improvements shall not constitute an "Additional Project" or a part of the "Leased Premises" within the meaning of the Lease. Nevertheless, the acquisition, construction, improving, equipping and developing of the 1994 Airport Improvements is deemed to be and shall, for the purposes of authorizing the payment of costs (including all costs generally described therein as "Project Costs") of the 1994 Airport Improvements under Section 5.2 of the Lease be considered the "implementation of the Additional Project" as that term is used in Section 5.2(e) of the Original Lease; provided that no disbursements shall be made to pay costs of the 1994 Airport Improvements unless the Issuer shall have received the final approval of the Federal Aviation Administration as described above; and provided, further, that no approval of the Burlington Project Representative shall be necessary in connection with any disbursement for costs of the 1994 Airport Improvements except as described below; and provided, further, that the amount disbursed for costs of the 1994 Airport Improvements shall not exceed $380,300, plus the estimated investment earnings thereon prior to completion of the 1994 Airport Improvements, unless the Burlington Project Representative shall have approved the disbursement of such excess amounts. Completion of the construction of the 1994 Airport Improvements shall be evidenced by delivery of a separate completion certificate, conforming substantially to the applicable requirements of the Existing Lease, which certificate shall be signed by the Authorized Lessor Representative and delivered to the Trustee and the Company.

Section 5. Representations and Warranties. The Issuer hereby confirms the representations, warranties and covenants set forth in Sections 6.1 and 9.1(a) through (h) of the Original Lease and extends those representations, warranties and covenants to the Existing Lease as supplemented hereby, and to the Indenture as supplemented by the First Supplemental Indenture, the Escrow Agreement and the Series 1994-1 Bonds, all to the extent applicable. The Company hereby confirms the representations, warranties and covenants set forth in Sections 6.1 and 9.2 of the Original Lease and extends those representations, warranties and covenants to the Existing Lease as supplemented hereby, and to the Escrow Agreement, the Series 1994-1 Bonds and the 1994 Project, all to the extent applicable, except that Section 9.2(c) of the Original Lease, as applied to the 1994 Project, shall be deemed to read as follows:

> "The provision of financial assistance to be made available to it under the Lease and the commitments therefor made by the Lessor have induced the Lessee to expand within the jurisdiction of the Lessor that business of the Lessee to be conducted by the use of the Hub Facility and Fuel Farm and such expansion will create additional jobs and employment opportunities within the jurisdiction of the Issuer."

The Issuer and the Company further confirm all of their additional representations, warranties, covenants and agreements (including the non-merger agreement) set forth in the Guaranty, as assumed, confirmed and supplemented by the Assumption and Non-Merger Agreement (the "Assumption Agreement") dated as of September 1,

1990 among the Issuer, the Company and the Trustee.

The Issuer and the Company, jointly and severally, each to the other and for the benefit of the Trustee and the Holders of the Series 1994-1 Bonds, hereby (i) confirm the representations, warranties and covenants set forth in Sections 6.2 (b) through (t) of the Original Lease as amended and supplemented by the Second Supplement and extend the representations, warranties and covenants set forth in Sections 6.2(b) through (s) of the Original Lease as amended and supplemented by the Second Supplement to the Series 1994-1 Bonds and to all of the facilities financed and refinanced thereby, and (ii) further represent, warrant and covenant that:

(a) The acquisition, construction and installation of the 1994 Additional Project were not commenced prior to the adoption of Resolution No. 19-93 of the Legislative Authority on March 11, 1993 and, since that adoption, such acquisition, construction and installation have not changed in any material way and the capacity of the 1994 Additional Project has not increased materially, however, certain costs of the 1994 Additional Project were paid or incurred on and prior to such date but such costs will not be treated as costs of an "airport" within the meaning of Section 142 of the Code except to the extent that they consist of costs paid on or after January 15, 1993 or consist, in an amount not in excess of 20% of the aggregate issue price of the portion of the Series 1994-1 Bonds issued to finance the 1994 Additional Project, of "preliminary expenditures" within the meaning of Treas. Reg. Section 1.150-2(f)(2), which include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction;

(b) The acquisition, construction, equipping and development of the 1994 Airport Improvements were not commenced prior to the adoption of Resolution No. 94-93 of the Legislative Authority on December 9, 1993 and, since that adoption, such acquisition, construction, equipping and development have not changed in any material way and the capacity of the south parallel taxiway improvements has not increased materially, however, certain costs of the 1994 Airport Improvements were paid or incurred on and prior to such date but such costs will not be treated as costs of an "airport" within the meaning of Section 142 of the Code except to the extent that they consist of costs paid on or after October 15, 1993 or consist, in an amount not in excess of 20% of the aggregate issue price of the portion of the Series 1994-1 Bonds issued to finance the 1994 Airport Improvements, of "preliminary expenditures" within the meaning of Treas. Reg. Section 1.150-2(f)(2), which include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction;

(c) Each item included in the 1994 Project has a reasonably expected economic life, within the meaning of Section 142(b)(1)(B) of the Code, of at least 30 years; and

(d) The proceeds of the refunding

portion of the Series 1994-1 Bonds will be used exclusively to refund the Project Bonds in accordance with the Escrow Agreement and will be used to retire the Project Bonds not later than 90 days after the date of issuance of the Series 1994-1 Bonds.

Notwithstanding the preceding sentence, it is understood and agreed that the representations made in subparagraphs (a), (b) and (c) above are made by the Issuer with respect to the 1994 Airport Improvements and are made by the Company with respect to the 1994 Additional Project.

Section 6. Certain Additional Amendments to Lease. The Issuer and the Company hereby covenant and agree to amend the Lease as and to the extent provided for in this Section. The Issuer and the Company hereby covenant and agree that the portions of the Existing Lease to be amended shall be amended to read as set forth below and that those provisions of the Existing Lease, and any other provisions thereof to the extent inconsistent with the provisions set forth below, shall be considered deleted therefrom and of no further force and effect:

(a) Trustee. The name "Society Bank & Trust", each time it appears in the Existing Lease, including without limitation in the definitions of "Notice Address" and "Trustee" in Section 1.1 thereof, shall be and is hereby amended to be instead, Society National Bank. The Trustee has heretofore given notice that its Notice Address has changed to 333 North Summit Street, Toledo, Ohio 43604, Attention: Corporate Trust Department.

(b) Termination. The second sentence of the first paragraph of Section 8.4 of the Original Lease as amended by the Second Supplement is stricken therefrom and the first sentence of that paragraph is amended to read as follows:

> "Section 8.4. Termination at Option of Lessee. If (i) the Lessor shall have determined, pursuant to Section 8.1 hereof and upon the recommendation of the Lessee, not to repair or restore the Hub Facility, or (ii) the Lessee shall have exercised the option, granted under Section 8.3 hereof, not to repair or restore the Hub Facility, or (iii) the Lessee elects to direct the redemption of all Series 1994-1 Bonds pursuant to Section 4.01(b)(iii) of the Indenture, the Lessee shall have the option, subject to the terms of this Section, to terminate this Lease."

The phrase "or 4.01(b)(iv)(A) or during the continuation, on or after November 1, 1991, of the conditions stated in Section 4.01(b)(iv)(B)" is stricken from the second paragraph of that Section 8.4.

(c) Expansion Site. Exhibit A to the Third Supplement is hereby amended, in its entirety, by replacing the description of the Leased Expansion Site included therein with the description set forth in Exhibit E hereto and such property as set forth in Exhibit E hereto shall be considered for all purposes of this Lease, as amended and supplemented, the "Leased Expansion Site" as such term is used in Section 2 of the Third Supplement and any land included in Exhibit A to the Third Supplement which is not included in Exhibit E hereto is, pursuant to Section 10.1 of the Original Lease, released from the Lease and is no longer a part of the Leased Expansion Site, the Expansion Site, the Leased Real Property or the Leased Premises. The Company acknowledges that the Issuer has satisfied the condition referred to in clause (iii) of Section 2 of the Third Supplement and the Issuer acknowledges that the Company shall not be required to pay the additional tap-in-charge set forth in that Section 2.

Section 7. Additional Instruments, Documents and Requirements. The Issuer and the Company hereby agree to cooperate in the preparation and filing of this Fourth Supplement, or of a memorandum thereof, of any documents ancillary thereto or required or advisable in connection therewith, of a supplement to the Mortgage (as required by the Lease and the Indenture) and, as necessary, the Assignment and any Subordinated Mortgage (as defined in the Mortgage), and of any necessary financing statements related thereto.

Section 8. Ratification of Lease; Integration. As amended and supplemented hereby, the Existing Lease is, in all respects, ratified and confirmed and remains in full force and effect. It is understood and agreed that as of the date of execution and delivery of this Fourth Supplement, the Lease is comprised only and exclusively of the Original Lease, the First Supplement, the Second Supplement, the Third Supplement and this Fourth Supplement and that the Lease, as so constituted, together with the Guaranty and the Assumption Agreement, constitute the entire understanding of the Issuer and the Company with respect to the subject matter thereof and hereof, and that the Lease, as so constituted, together with the Guaranty and Assumption Agreement, supersede all other oral or written agreements, prior to the date of execution and delivery of this Fourth Supplement, with respect thereto.

Section 9. General Agreements. This Fourth Supplement shall take effect upon the execution and delivery thereof and shall continue in effect until the expiration of the Lease Term. The Issuer and the Company agree that they will execute and deliver such further documents and do such further acts and things as are necessary fully to effect the purposes of this Fourth Supplement. THIS FOURTH SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE and shall inure to the benefit of and be binding upon the Issuer and the Company and their respective successors and assigns. Any provision hereof invalid under any law shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. This Fourth Supplement may be executed in counterpart, and in several counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Fourth Supplement to Lease to be duly executed in their respective names by their duly authorized officers all as of the date first hereinbefore written.

Signed and acknowledged as to the Issuer in the presence of:

TOLEDO-LUCAS COUNTY PORT AUTHORITY

By:

Name: Chairman

By:

Name: Secretary

(Witnesses as to both)

Signed and acknowledged as to the Company in the presence of:

BURLINGTON AIR EXPRESS INC.

By:

Name: Chairman of the Board

By:

Name: Treasurer

(Witnesses as to both)

Approved as to form:

Staff Counsel

STATE OF OHIO)
)
COUNTY OF LUCAS)

On this _____ day of March, 1994, before me, a Notary Public in and for said County and State, personally appeared Richard D. Ruppert and Jerry J. Arkebauer, Chairman of the Board of Directors and Secretary, respectively, of the Toledo-Lucas County Port Authority, and acknowledged that they did sign the foregoing instrument as such officers of said Port Authority, respectively, for and on behalf of said Port Authority and by authority granted by law and by the Board of Directors of said Port Authority and that the same is their voluntary act and deed as such officers on behalf of said Port Authority and the voluntary and corporate act and deed of said Port Authority.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Seal]

_____
Notary Public

STATE OF)
)
COUNTY OF)

On this _____ day of March, 1994, before me, a Notary Public in and for said County and State, personally appeared Joseph C. Farrell and James B. Hartough, Chairman of the Board and Treasurer, respectively, of Burlington Air Express Inc., and acknowledged that they did sign the foregoing instrument as such officers of said corporation, respectively, for and on behalf of said corporation and by authority granted by the Board of Directors of said corporation and that the same is their voluntary act and deed as such officers on behalf of said corporation and the voluntary and corporate act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Seal]

_____
Notary Public

This instrument was prepared by:

Jeffrey A. Bomberger
Squire, Sanders & Dempsey
4900 Society Center
127 Public Square
Cleveland, Ohio 44114-1304

CERTIFICATE

The undersigned, Fiscal Officer of the Issuer under the aforesaid Fourth Supplement to Lease, hereby certifies that the moneys required to meet the obligations of the Issuer during the year 1994 under that Fourth Supplement to Lease have been lawfully appropriated by the Board of Directors of the Issuer for such purposes and are in the treasury of the Issuer or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: March 8, 1994

_____
Secretary, Toledo-Lucas
Port Authority

EXHIBIT A

1994 Project

I. 1994 Additional Project.

A. Material Handling System Improvements. The 1994 Additional Project includes the addition of three additional material handling modules to the existing material handling and sortation system (10 modules) in the Hub Facility. The three new modules were manufactured and designed with the same specifications as the existing ten modules. The major components of the three new modules are the fabrication and installation of container decks, package carts and conveyors. The container decks include unload decks, scales, highway decks and loading decks. The carts include "conveyable" carts for packages up to 27" x 27" x 32" and 70 lbs., and "nonconveyable" carts for oversized pieces. In addition to the conveyor system for the three new modules, modifications of existing conveyors were made including installation of three tertiary slides and three unload conveyors and the addition of jam platforms and additional storage areas under the primary sites. In addition 12 unload slides for nonconveyable freight were installed on twelve of the existing and new unload conveyors. In addition, modifications were made to the Motor Control Center (MCC) and additional telephones were installed. The MCC modifications included installation of motors, emergency stops, diverter and secondary control panels, lighting and electrical feeders and extensive electrical work in connection with the foregoing. Finally, additional improvements to the outer modules of the Material Handling System are underway. All such items have a reasonably expected useful life consistent with that of the existing material handling system, being not less than 30 years from the place-in-service date. Information pertaining to the foregoing items is set forth below:

Material Handling System Improvements

Item Description	Number or Amount	Vendor	Estimated Cost	Payments Prior to Issuance Date	Placed in Service
Deck		W.A.S.P.	$ 800,033.00	$ 800,033.00	07/10/93
Carts		W.A.S.P.	85,680.00	85,680.00	08/01/93
Conveyors		SEAMCO	916,027.00	916,027.00	08/11/93
Unload Slides		SEAMCO	27,060.00	24,037.00	*
MCC/Controls		Innovative	52,400.00	52,400.00	05/01/93
MCC/Electrical		GEM	148,627.00	148,627.00	09/01/93
Telephones		Trans West	5,968.29	5,968.29	09/01/93
Outer Module Improvements			36,000.00*		*
Engineering		KMetz	80,000.00	80,000.00	N/A
Total Material Handling System Improvements			$2,151,795.29	$2,112,772.29	

* - Estimate

B. Other Hub Facility Improvements. In addition to the Material Handling System improvements described in part I.A above, the 1994 Additional Project includes other improvements to the Hub Facility including raising the height of the bulkload docktruck doors, building an interior guard rail and a mezzanine security fence, expanding the parking lot and relocating the fence, expanding the customs office and constructing an exterior office for the truck supervisor. In addition, an additional 10,000 gallon glycol storage tank, together with a concrete pad and dike, and connections to the existing heating and mixing tank will be constructed, an overhead crane will be installed in the Hub Facility, additional storage space will be added under the primary slides and directional and building signage will be installed. All such items have a reasonably expected useful life consistent with that of the Hub Facility building, being a period ending not earlier than September 1, 2021, thirty years from the placed in service date for the Hub Facility. Information pertaining to the foregoing items is set forth below:

Payments

Item Description	Number or Amount	Vendor	Estimated Cost	Prior to Issuance Date	Placed in Service
Truck Doors		Quality Overhead	$ 3,567.00	$ 3,567.00	10/01/93
Interior Guard Rail		Toledo Fence	11,440.00	11,440.00	06/01/93
Mezzanine Security Fence		Toledo Fence	4,795.00	4,795.00	09/15/93
Parking Lot		Rudolph Libbe	126,300.00	81,495.00	*
Parking Lot		Crestline	91,466.00	91,466.00	09/01/93
Customs Office		Cousino	31,128.00	31,128.00	12/01/93
Truck Office		Starrco	8,351.00	8,351.00	12/01/93
Office Hook Up		BAX-Supplies	228.00	228.34	12/01/93
Parking Lot Fence		Toledo Fence	6,900.00	1,640.00	*
Glycol Tank			30,000.00		*
Overhead Crange			62,000.00		*
Primary Slide Storage			20,000.00		*
Signage			20,000.00		*
Engineering		KMetz	25,000.00	20,000.00	N/A
Total Hub Facility Improvements			$441,175.00	$254,110.34	

* - Estimate

II. 1994 Airport Improvements

The South Parallel Taxiway will be the primary taxiway parallel to and immediately south of Runway 7/25. The South Parallel Taxiway will begin at the west connector of the Ramp and proceed past the east connector, crossing Runway 16/34 to the approach end of Runway 25. The South Parallel Taxiway will be approximately 5,200 feet long and 75 feet wide, with 35 feet of paved shoulders on each side. The South Parallel Taxiway improvements will include a high-speed exit taxiway and associated connecting taxiways.

The South Parallel Taxiway will be fully lighted, with both lighting at the edges of the Taxiway and installed within the centerline of the high speed exit pavement. The pavement will consist of 15 inches of stabilized base coarse covered by 7 inches of asphalt.

EXHIBIT B

SCHEDULE I OF BASIC RENT

The following Schedule sets forth Basic Rent payments to be made by the Company for the rental of the Hub Facility buildings and Material Handling System during the Initial Term and replaces Schedule I of Exhibit D of the Original Lease as amended by the Second Supplement. All payments are to be paid on the Rental Payment Date next preceding the date set forth on such schedule.

Month/Date	Monthly Principal Payment	Monthly Interest Payment	Total Monthly Payment

[Voluminous schedule showing monthly payment dates, monthly principal amounts, monthly interest amounts and total monthly payments. Total monthly payments decline from $259,024.65 on May 1, 1994 to $223,594.27 on April 1, 2013 and decline from $297,372.92 on May 1, 2013 to $289,260.42 on April 1, 2017 and are $300,729.17 from and including May 1, 2017 through April 1, 2018. Total monthly principal, interest and combined principal and interest payments from May 1, 1994 through April 1, 2019 are $31,475,000.00, $41,369,785.44 and $72,844,785.44, respectively.]

EXHIBIT C

SCHEDULE II OF BASIC RENT

The following Schedule sets forth Basic Rent payments to be made by the Company for the rental of certain Movable Hub Equipment during the initial lease term with respect thereto and replaces Schedule II to Exhibit D of the Original Lease as amended by the Second Supplement. All payments are to be paid on the Rental Payment Dates next preceding the dates set forth on such Schedule.

Month/Date	Monthly Principal Payment	Monthly Interest Payment	Total Monthly Payment

[Voluminous schedule showing monthly payment dates, monthly principal amounts, monthly interest amounts and total monthly payments. Total monthly payment ranges from $22,163.89 on May 1, 1994 to $23,629.17 on April 1, 2001. Total monthly principal, interest and combined principal and interest payments from May 1, 1994 through April 1, 2001 are $1,420,000.00, $443,333.33 and $1,863,333.33, respectively.]

EXHIBIT D

SCHEDULE III OF BASIC RENT

The following Schedule sets forth the Basic Rent payments to be made by the Company for the lease and use of the 1994 Project during the Additional Project Term for the 1994 Additional Project. All payments are to be paid on the Rental Payment Date next preceding the dates set forth on such Schedule.

Month/Date	Monthly Principal Payment	Monthly Interest Payment	Total Monthly Payment

[Voluminous schedule showing monthly payment dates, monthly principal amounts, monthly interest amounts and total monthly payments. Total monthly payment ranges from $28,409.55 on May 1, 1994 to $26,396.36 on April 1, 2013. Total monthly principal, interest and combined principal and interest payments from May 1, 1994 through April 1, 2013 are $3,225,000.00, $2,846,157.30 and $6,071,157.30, respectively.]

EXHIBIT E

LEGAL DESCRIPTION TO LEASED EXPANSION SITE

A parcel of land being a part of Section 10, Town 7 North, Range 9 East, Swanton Township, and part of Section 11, Town 7 North, Range 9 East, Monclova Township, Lucas County, Ohio, and being more particularly described as follows:

Commencing at an existing stone monument at the Southwest corner of the Northeast quarter of Section 10;

thence South 88 degrees 46' 07" East, on the South line of the Northeast quarter of Section 10, a distance of 1773.60 feet to a point on the South line of an existing 23.784 acre leased parcel, said point also being the TRUE POINT OF BEGINNING of the parcel herein described; thence continuing South 88 degrees 46' 07" East, on the South line of the Northeast quarter of Section 10 and on the South line of an existing 23.784 acre leased parcel, a distance of 868.00 feet to the most Southeasterly corner of said 23.784 acre leased parcel;

thence North 21 degrees 23' 38" West, on the Northeasterly line of said 23.784 acre leased parcel, a distance of 629.74 feet to a point;

thence North 68 degrees 36' 22" East, on the Southeasterly line of said 23.784 acre leased parcel, a distance of 28.85 feet to a point;

thence North 21 degrees 23' 38" West, on the Northeasterly line of said 23.784 acre leased parcel, a distance of 104.96 feet to a point;

thence North 68 degrees 36' 22" East, distance of 69.95 feet to a point;

thence South 21 degrees 23' 38" East, distance of 750.78 feet to a point;

thence South 68 degrees 36' 22" West, distance of 900.00 feet to a point;

thence North 21 degrees 23' 38" West, a distance of 350.00 feet to the TRUE POINT OF BEGINNING of the parcel herein described, containing 5.00 acres of land, more or less, subject to all easements, zoning restrictions of record and legal highways.

The bearings used herein are for the purpose of describing angles only and are not referenced to true or magnetic North.

CONSENT

The undersigned officer of the City of Toledo, Ohio, acknowledges that:

1. The City has leased the Toledo Express Airport to the Toledo-Lucas County Port Authority for a term ending on February 11, 2023.

2. The Port Authority, with the City's consent, has subleased a "Hub Facility" and site to Burlington Air Express Inc. for a term, including all extensions, ending on October 31, 2028.

3. To assist Burlington in financing additional fixtures to the Hub Facility and site, the Port Authority is required to lease such fixtures to Burlington and mortgage its interest therein consistent with the terms of the sublease, indenture and mortgages securing the original Hub Facility financing.

4. Burlington has the option to extend the sublease term with respect to such fixtures so that the sublease term for the fixtures will terminate at the same time as the sublease of the Hub Facility and site.

Dated: March 18, 1994

By:_____
Mayor, City of Toledo, Ohio

CONSENT OF DIRECTOR

The undersigned, The Director of Development of the State of Ohio, by the undersigned duly authorized officer, hereby acknowledges receipt of notice of, and hereby consents to, the foregoing Fourth Supplement to Lease and the amendments, changes, modifications, covenants and agreements therein made to the extent, if any, that those amendments, changes, modifications, covenants and agreements are material to that Director.

THE DIRECTOR OF DEVELOPMENT OF
THE STATE OF OHIO

Dated: March 18, 1994

By: _____
Deputy Director

CONSENT OF TRUSTEE

The undersigned, the Trustee under the Indenture identified in the foregoing Fourth Supplement to Lease, by the undersigned duly authorized officer, hereby (i) acknowledges receipt of notice of the foregoing Fourth Supplement to Lease and the amendments, changes, modifications, covenants and agreements therein made, (ii) determines that such amendments, changes and modifications of the Lease are required (a) by the provisions of that Indenture, (b) in connection with the issuance of Additional Bonds and as contemplated by the Existing Lease referred to in that Fourth Supplement or (c) in connection with changes in the Lease which are not to the prejudice of the Trustee or the holders of the Bonds issued under that Indenture, and (iii) consents to that Fourth Supplement to Lease and the amendments, changes, modifications, covenants and agreements therein made.

SOCIETY NATIONAL BANK, as Trustee

Dated: March 22, 1994

By:_____
Vice President

EXHIBIT 10.4

$350,000,000

CREDIT AGREEMENT

Dated as of March 4, 1994

among

THE PITTSTON COMPANY,
as Borrower,

LENDERS PARTIES HERETO,

CHEMICAL BANK
CREDIT SUISSE and
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
as
Co-Agents

and

CREDIT SUISSE,
as Administrative Agent

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Schedule 5.06	Subsidiaries
Schedule 6.02	Encumbrances

CREDIT AGREEMENT dated as of March 4, 1994, among THE PITTSTON COMPANY, a corporation duly organized and validly existing under the laws of the Commonwealth of Virginia (the "Borrower"), the Institutional Lenders (as defined herein) listed on Schedule 2.01 (the "Lenders"), CHEMICAL BANK, CREDIT SUISSE and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as agents for the Lenders (in such capacity, the "Co-Agents"), and CREDIT SUISSE, as administrative agent (in such capacity, the "Administrative Agent").

The Borrower has requested the Lenders to extend credit in order to enable the Borrower, subject to the terms and conditions of this Agreement, to borrow (a) on a term basis, on the Closing Date (as defined herein), an aggregate principal amount not in excess of $100,000,000, and (b) on a revolving basis, at any time and from time to time prior to the Maturity Date (as defined herein), an aggregate principal amount at any time outstanding not in excess of $250,000,000. The Borrower has also requested the Lenders to provide a procedure pursuant to which the Borrower may receive and request bids from Lenders on borrowings by the Borrower. The proceeds of such borrowings are to be used for general corporate purposes, including acquisitions. The Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein.

Accordingly, the Borrower, the Lenders, the Co-Agents and the Administrative Agent agree as follows:

ARTICLE I. DEFINITIONS

SECTION 1.01. Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"Acquisition" shall mean any transaction pursuant to which the Borrower or any Subsidiary of the Borrower (i) acquires 20% or more of the outstanding equity securities of any Person pursuant to a solicitation by the Borrower or such Subsidiary of tenders of such securities, or in one or more negotiated block, market or other transactions not involving a tender offer, or a combination of any of the foregoing or (ii) makes any Person a Subsidiary of, or causes any Person to be merged into, the Borrower or any Subsidiary of the Borrower; provided, however, that any acquisition by the Borrower or any Subsidiary of the Borrower of equity securities of the Borrower or any Subsidiary or Affiliate of the Borrower pursuant to clause (i) above or any merger of a Subsidiary or Affiliate of the Borrower into the Borrower or any Subsidiary of the Borrower shall not be deemed to be an Acquisition.

"Adjusted CD Rate" shall mean, for any CD Rate Borrowing for any Interest Period therefor, a rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the sum of: (a) the product of (i) the CD Base Rate for such Borrowing for such Interest Period and (ii) a fraction of which the numerator is 100% and the denominator is 100% minus the Reserve Percentage in effect at any time during such Interest Period; plus (b) the Assessment Rate in effect at the commencement of such Interest Period. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Reserve Percentage; provided, however, that no such adjustment shall occur unless and until the Administrative Agent notifies the Borrower of such adjustment.

"Administrative Agent" shall mean Credit Suisse in its capacity as administrative agent for the Lenders pursuant to Article VIII, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Section 8.11.

"Administrative Agent Fee" shall have the meaning assigned to that term in Section 2.07(c).

"Affiliate" of any designated Person means any Person

that has a relationship with the designated Person whereby either of such Persons directly or indirectly controls or is controlled by or is under common control with the other. For this purpose "control" means the power, direct or indirect, of one Person to direct or cause direction of the management and policies of another, whether by contract, through voting securities or otherwise.

"Agents" shall mean the Co-Agents and the Administrative Agent.

"Agreement" shall mean this credit agreement, as it may be amended or modified and in effect from time to time.

"Applicable Commitment Fee Rate" shall mean, on any date, the applicable percentage set forth below based upon the Applicable LT Ratings by Moody's and S&P (with references in this definition to "levels" being references to levels 1-5 below):

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
	Senior LT Rating: BBB+/ Baa1 or better _____ Sub-ordinated LT Rating: BBB/Baa2 or Better	Senior LT Rating: BBB/Baa2 _____ Sub-ordinated LT Rating: BBB-/Baa3	Senior LT Rating: BBB-/ Baa3 _____ Sub-ordinated LT Rating: BB+/Ba2	Senior LT Rating: BB+/Ba1 _____ Sub-ordinated LT Rating: BB-/Ba3	Senior LT Rating: Below BB+/Ba1 _____ Sub-ordinated LT Rating: Below BB-/Ba3
Commitment Fee Rate	.200	.225	.250	.375	.500

For purposes of the foregoing, (i) if the Applicable LT Ratings established by Moody's and S&P shall fall within different levels and there is only a one level difference between such Applicable LT Ratings, the Applicable Commitment Fee Rate shall be based upon the superior (i.e., numerically lower) level, (ii) if the Applicable LT Ratings established by Moody's and S&P shall fall within different levels and there is more than one level difference between such Applicable LT Ratings, the Applicable Commitment Fee Rate shall be based upon the level that is one level superior to (i.e., numerically lower) the inferior (i.e., numerically higher) of the two levels, (iii) notwithstanding clauses (i) and (ii), if either the Applicable LT Rating established by Moody's or the Applicable LT Rating established by S&P falls within level 4 or 5, the Applicable Commitment Fee Rate shall be based upon the inferior (i.e., numerically higher) level, (iv) if only one of Moody's or S&P has in effect an Applicable LT Rating, then the Applicable Commitment Fee Rate shall be based upon such Applicable LT Rating, (v) if neither Moody's nor S&P has in effect an Applicable LT Rating (other than because neither rating agency shall be in the business of rating corporate debt obligations), then the Applicable Commitment Fee Rate shall be based upon level 4, provided that if the Borrower has outstanding non-rated Index Debt for which a rating could be obtained from Moody's or S&P, then the Applicable Commitment Fee Rate shall be based upon level 5, and (vi) if any Applicable LT Rating established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Such change in the Applicable Commitment Fee Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either Moody's or S&P shall change prior to the Maturity Date, the Borrower and the Lenders shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system.

"Applicable Lending Office" shall mean, with respect to each Lender and each Type of Loan, the lending office as designated for such Type of Loan below the name of such Lender on Schedule 2.01 hereof or such other office of such Lender or of an Affiliate of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent as the office at which its Loans of such Type are to be made and maintained.

"Applicable LT Ratings" shall mean, on any date (i) if Moody's or S&P has in effect a Senior LT Rating on such date, Senior LT Ratings and (ii) if neither Moody's nor S&P has in effect a Senior LT Rating on such date, Subordinated LT Ratings.

"Applicable Margin" shall mean, on any date, the applicable percentage set forth below based upon the Applicable LT Ratings by Moody's and S&P (with references in this definition to "levels" being references to levels 1-5 below):

	LEVEL 1 _____ Senior LT Rating: BBB+/ Baa1 or better _____ Sub-ordinated LT Rating: BBB/Baa2 or Better	LEVEL 2 _____ Senior LT Rating: BBB/Baa2 _____ Sub-ordinated LT Rating: BBB-/Baa3	LEVEL 3 _____ Senior LT Rating: BBB-/ Baa3 _____ Sub-ordinated LT Rating: BB+/Ba2	LEVEL 4 _____ Senior LT Rating: BB+/Ba1 _____ Sub-ordinated LT Rating: BB-/Ba3	LEVEL 5 _____ Senior LT Rating: Below BB+/Ba1 _____ Sub-ordinated LT Rating: Below BB-/Ba3
Eurodollar Revolving Margin	.40000	.45000	.50000	.62500	.87500
CD Revolving Margin	.52500	.57500	.62500	.75000	1.00000
Base Rate Revolving Margin	.00000	.00000	.00000	.00000	.00000
Eurodollar Term Margin	.4625	.54375	.62500	.87500	1.2500
CD Term Margin	.58750	.66875	.75000	1.0000	1.2500
Base Rate Term Margin	.00000	.00000	.00000	.00000	.00000

For purposes of the foregoing, (i) if the Applicable LT Ratings established by Moody's and S&P shall fall within different levels and there is only a one level difference between such Applicable LT Ratings, the Applicable Margin shall be based upon the superior (i.e., numerically lower) level, (ii) if the Applicable LT Ratings established by Moody's and S&P shall fall within different levels and there is more than one level difference between such Applicable LT Ratings, the Applicable Margin shall be based upon the level that is one level superior to (i.e., numerically lower) the inferior (i.e., numerically higher) of the two levels, (iii) notwithstanding clauses (i) and (ii), if either the Applicable LT Rating established by Moody's or the Applicable LT Rating established by S&P falls within level 4 or 5, the Applicable Margin shall be based upon the inferior (i.e., numerically higher) level, (iv) if only one of Moody's or S&P has in effect an Applicable LT Rating, then the Applicable Margin shall be based upon such Applicable LT Rating, (v) if neither Moody's nor S&P has in effect an Applicable LT Rating (other than because neither rating agency shall be in the business of rating corporate debt obligations), then the Applicable Margin shall be

based upon level 4, provided that if the Borrower has outstanding non-rated Index Debt for which a rating could be obtained from Moody's or S&P, then the Applicable Margin shall be based upon level 5, and (vi) if any Applicable LT Rating established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Such change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either Moody's or S&P shall change prior to the Maturity Date, the Borrower and the Lenders shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system.

"Applicable Utilization Rate" shall mean, on any date, the applicable percentage set forth below based upon the Applicable LT Ratings by Moody's and S&P (with references in this definition to "levels" being references to levels 1-5 below):

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
	Senior LT Rating: BBB+/ Baa1 or better Sub-ordinated LT Rating: BBB/Baa2 or Better	Senior LT Rating: BBB/Baa2 Sub-ordinated LT Rating: BBB-/Baa3	Senior LT Rating: BBB-/ Baa3 Sub-ordinated LT Rating: BB+/Ba2	Senior LT Rating: BB+/Ba1 Sub-ordinated LT Rating: BB-/Ba3	Senior LT Rating: Below BB+/Ba1 Sub-ordinated LT Rating: Below BB-/Ba3
Utilization Rate	.06250	.09375	.12500	.25000	.37500

For purposes of the foregoing, (i) if the Applicable LT Ratings established by Moody's and S&P shall fall within different levels and there is only a one level difference between such Applicable LT Ratings, the Applicable Utilization Rate shall be based upon the superior (i.e., numerically lower) level, (ii) if the Applicable LT Ratings established by Moody's and S&P shall fall within different levels and there is more than one level difference between such LT Ratings, the Applicable Utilization Rate shall be based upon the level that is one level superior to (i.e., numerically lower) the inferior (i.e., numerically higher) of the two levels, (iii) notwithstanding clauses (i) and (ii), if either the Applicable LT Rating established by Moody's or the Applicable LT Rating established by S&P falls within level 4 or 5, the Applicable Utilization Rate shall be based upon the inferior (i.e., numerically higher) level, (iv) if only one of Moody's or S&P has in effect an Applicable LT Rating, then the Applicable Utilization Rate shall be based upon such Applicable LT Rating, (v) if neither Moody's nor S&P has in effect an Applicable LT Rating (other than because neither rating agency shall be in the business of rating corporate debt obligations), then the Applicable Utilization Rate shall be based upon level 4, provided that if the Borrower has outstanding non-rated Index Debt for which a rating could be obtained from Moody's or S&P, then the Applicable Utilization Rate shall be based upon level 5, and (vi) if any Applicable LT Rating established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Such change in the Applicable Utilization Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either Moody's or S&P shall change prior to the Maturity Date, the Borrower and the Lenders shall negotiate in good faith to amend the references to specific ratings in this definition to

reflect such changed rating system.

"Assessment Rate" shall mean, for any Interest Period, a rate per annum equal to (i) the rate (rounded upwards, if necessary, to the nearest 1/100 of 1%) then charged by the Federal Deposit Insurance Corporation (or any successor) for deposit insurance for Dollar time deposits with the Administrative Agent at the Administrative Agent's domestic offices as determined by the Administrative Agent minus (ii) the most recently determined credit against such assessments, expressed as an annual rate, available under applicable law to the Administrative Agent, in each case as determined by the Administrative Agent as of the first day of such Interest Period.

"Available Money Market Commitment" shall mean, at any time and with respect to each Lender, the Revolving Credit Commitment of such Lender at such time minus the aggregate principal amount of Revolving Loans made by such Lender and outstanding at such time.

"Available Standby Commitment" shall mean, at any time and with respect to each Lender, the Revolving Credit Commitment of such Lender at such time minus the aggregate principal amount of Money Market Loans made by such Lender and outstanding at such time.

"Average Utilized Percentage" shall mean, for any period, the quotient (expressed as a decimal and rounded to the nearest 0.1%) obtained by dividing (i) the average daily amount of the outstanding Revolving Loans during such period by (ii) the average daily amount of the Total Revolving Credit Commitment during such period.

"Base Rate" means, on any date and with respect to all Base Rate Borrowings, a fluctuating rate of interest per annum equal to the higher of (i) the base commercial lending rate announced from time to time by Credit Suisse (New York Branch), or (ii) the Federal Funds Effective Rate plus .50% per annum. Changes in the rate of interest on any Base Rate Borrowing will take effect simultaneously with each change in the Base Rate. The Administrative Agent will give notice promptly to the Borrower and the Lenders of changes in the Base Rate.

"Base Rate Borrowing" shall mean a Borrowing comprised of Base Rate Loans.

"Base Rate Loan" shall mean any Base Rate Term Loan or Base Rate Revolving Loan.

"Base Rate Revolving Loan" shall mean any Revolving Loan bearing interest at a rate determined by reference to the Base Rate.

"Base Rate Term Loan" shall mean any Term Loan bearing interest at a rate determined by reference to the Base Rate.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor thereof).

"Board of Directors" shall mean the board of directors of the Borrower or any duly appointed committee of such board of directors.

"Borrowing" shall mean a group of Loans of a single Type made by the Lenders (or, in the case of a Money Market Borrowing, by the Lender or Lenders whose Money Market Bids have been accepted pursuant to Section 2.03) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required to close under the laws of the State of New York.

"Capital Lease" means any lease of property which should be capitalized on the lessee's balance sheet in accordance with GAAP; and "Capital Lease Obligation" means the amount of the liability so capitalized.

"CD Base Rate" shall mean, for any Interest Period, the

prevailing per annum rate of interest (rounded upward, if necessary, to the nearest 1/100th of 1%) bid at 10:00 a.m., New York City time (or as soon thereafter as is practicable), on the first day of such Interest Period by two or more New York certificate of deposit dealers of recognized standing selected by the Administrative Agent for the purchase at face value from the Administrative Agent of its certificates of deposit in an amount comparable to the principal amount of the portion of the CD Rate Borrowing to which such Interest Period applies that would be allocable to the Administrative Agent if no Money Market Loans were outstanding and with a maturity comparable to such Interest Period.

"CD Rate Borrowing" shall mean a Borrowing comprised of CD Rate Loans.

"CD Rate Loan" shall mean any CD Term Loan or CD Revolving Loan.

"CD Revolving Loan" shall mean any Revolving Loan bearing interest at a rate determined by reference to the Adjusted CD Rate.

"CD Term Loan" shall mean any Term Loan bearing interest at a rate determined by reference to the Adjusted CD Rate.

A "Change in Control" shall be deemed to have occurred if (i) any person or group (within the meaning of Rule 13d-5 of the Securities and Exchange Commission as in effect on the date hereof) shall own directly or indirectly, beneficially or of record, shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (ii) a majority of the seats on the board of directors of the Borrower shall be occupied by persons other than (x) directors on the date of this Agreement or (y) directors initially nominated or appointed by action of the Board of Directors.

"Closing Date" shall mean the date of the first Borrowing hereunder.

"Co-Agents" shall mean Chemical Bank, Credit Suisse and Morgan Guaranty Trust Company of New York, in their capacity as agents for the Lenders.

"Coal Operations" shall have the meaning given to such term from time to time in the Borrower's annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the Securities and Exchange Commission.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commitment" shall mean, with respect to any Lender, such Lender's Term Loan Commitment and Revolving Credit Commitment.

"Commitment Fee" shall have the meaning assigned to that term in Section 2.07(a).

"Consolidated Debt", "Consolidated Lease Rentals", and "Consolidated Net Worth" means the Debt, Lease Rentals, or Net Worth, as the case may be, of the Borrower and its Restricted Subsidiaries, if any, all consolidated in accordance with GAAP and after giving appropriate effect to any outside minority interests in the Restricted Subsidiaries.

"Contaminant" shall mean any waste, hazardous material, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, including any such pollutant, material, substance or waste regulated under any Environmental Law.

"Credit Suisse" shall mean Credit Suisse in its individual capacity, and its successors and permitted assigns.

"Debt" of any Person means all obligations which would, in accordance with GAAP, be classified upon its balance sheet as debt, and in any event includes any Capital Lease Obligation and all debt of any other Person:

(a) guaranteed, directly or indirectly in any manner, by the Person or endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted with recourse or debt which has the substantially equivalent or similar economic effect of being guaranteed by the Person, or of otherwise making the Person contingently liable therefor, through an agreement or otherwise, including, without limitation, an agreement (i) to purchase, or to advance or supply funds for the payment or purchase of, the debt, (ii) to purchase, sell or lease property, products, materials or supplies, or transportation or services, primarily for the purpose of enabling such other Person to pay the debt or to assure the owner of the debt against loss, regardless of the delivery or nondelivery of the property, products, materials or supplies, or transportation or services or (iii) to make any loan, advance, capital contribution or other investment in such other Person to assure a minimum equity, asset base, working capital or other balance sheet condition for any date, or to provide funds for the payment of any liability, dividend or stock liquidation payment, or otherwise to supply funds to or in any manner invest in such other Person, it being expressly understood and agreed, however, that Lease Rentals under Leases shall not be considered Debt; or

(b) secured by an Encumbrance in respect of property owned by the Person even though the Person has not assumed or become liable for the payment of such debt.

"Default" shall mean an Event of Default or an event which with notice or lapse of time or both would become an Event of Default.

"Dollars" and "$" shall mean lawful money of the United States of America.

"Encumbrance" means, as to any Person, any mortgage, lien, pledge, adverse claim, charge, security interest or other encumbrance in or on, or any interest or title of any vendor, lender or other secured party to or of the Person under any conditional sale or other title retention agreement or Capital Lease with respect to, any property or asset of the Person, or the signing or filing of a financing statement which names the Person as debtor, or the signing of any security agreement authorizing any other party as the secured party thereunder to file any financing statement.

"Environmental Encumbrance" shall mean any Encumbrance in favor of any Governmental Authority for Environmental Liabilities and Costs.

"Environmental Laws" shall mean any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, or toxic or hazardous substances or wastes into the environment, including ambient air, surface water, groundwater, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, or toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"Environmental Liabilities and Costs" shall mean, as to the Borrower or any Subsidiary, all liabilities, obligations, responsibilities, remedial actions, losses, damages, punitive damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, reasonable expert and consulting fees and reasonable costs of investigation and feasibility studies), fines, penalties, and sanctions incurred as a result of any claim or demand, by any Person, under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any entity or trade or business, whether or not incorporated, that, together with the Borrower, is treated as a single employer under Section 414 of

the Code.

"Eurodollar Business Day" shall mean a Business Day on which dealings in Dollar deposits are carried out in the London interbank Eurodollar market.

"Eurodollar Borrowing" shall mean a Borrowing comprised of Eurodollar Loans.

"Eurodollar Loan" shall mean any Eurodollar Term Loan or Eurodollar Revolving Loan.

"Eurodollar Rate" means, with respect to a Eurodollar Borrowing for any Interest Period, the arithmetic average (rounded upwards to the nearest 1/16th of 1%) of the offered quotation, if any, to first class banks in the London interbank market by the applicable Reference Bank for Dollar deposits of amount in immediately available funds comparable to the principal amount of the portion of the Eurodollar Borrowing for which the Eurodollar Rate is being determined that would be allocable to the applicable Reference Bank if no Money Market Loans were outstanding and with maturities comparable to the Interest Period for which such Eurodollar Rate will apply, as of approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the commencement of such Interest Period. If any Reference Bank fails to provide its offered quotation to the Administrative Agent, the Administrative Agent shall obtain a quotation from a Lender (other than a Reference Bank) selected by the Administrative Agent.

"Eurodollar Revolving Loan" shall mean any Revolving Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

"Eurodollar Term Loan" shall mean any Term Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

"Event of Default" shall have the meaning assigned to that term in Article VII hereof.

"Existing Lender Credit Agreements" shall mean the credit agreements listed on Schedule 1.01A.

"Federal Funds Effective Rate" shall mean for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%), equal to the weighted average of the rates of overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers as published for such day (or if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Credit Suisse from three Federal funds brokers of recognized standing selected by Credit Suisse.

"Fees" shall mean the Commitment Fees, the Utilization Fees and the Administrative Agent Fees.

"Fixed Rate Loans" shall mean CD Rate Loans, Eurodollar Loans and Money Market Loans.

"GAAP" means United States generally accepted accounting principles in effect at the time of application to the provisions hereof, except that (i) a Default or Event of Default shall be deemed not to have occurred if such Default or Event of Default would not have occurred but for a change in generally accepted accounting principles or the Borrower's initial implementation of a generally accepted accounting principle or a Financial Accounting Standard issued by the Financial Accounting Standards Board and (ii) a Default or Event of Default that is cured as a result of a subsequent change in generally accepted accounting principles or the Borrower's subsequent initial implementation of a generally accepted accounting principle or a Financial Accounting Standard issued by the Financial Accounting Standards Board shall be deemed not to have been cured to the extent attributable to such change or implementation.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Hedging Agreements" shall mean interest rate protection agreements, foreign currency exchange agreements, other interest or exchange rate hedging, cap or collar arrangements or arrangements designed to protect the Borrower or any Subsidiary against fluctuations in the prices of commodities.

"Increased Costs" shall have the meaning assigned to that term in Section 3.01(a).

"Index Debt" shall mean (i) the Borrower's, unsecured, non-credit-enhanced long-term debt for borrowed money (whether senior or subordinated) or (ii) unsecured long-term debt of any other Person the rating of which by Moody's or S&P is based upon an unsecured, non-credit-enhanced guarantee by the Borrower (whether senior or subordinated).

"Institutional Lender" shall mean a bank or other financial institution (other than a financial institution reasonably specified in writing by the Borrower to the Administrative Agent, prior to such financial institution's becoming a Transferee, as being a competitor or an Affiliate of a competitor of the Borrower or any of its Subsidiaries).

"Interest Payment Date" shall mean, with respect to any Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurodollar Loan with an Interest Period of more than six months' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration been applicable to such Loan and, in addition, the date of any refinancing or conversion of such Loan with or to a Loan of a different Type.

"Interest Period" shall mean:

(a) with respect to any Eurodollar Borrowing, the period commencing on the date such Borrowing is made or converted from a Borrowing of another Type or the last day of the next preceding Interest Period with respect to such Borrowing and ending on the same day in the first, second, third, sixth, ninth or twelfth calendar month thereafter, as the Borrower may select as provided herein, except that each such Interest Period which commences on the last Eurodollar Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Eurodollar Business Day of such appropriate subsequent calendar month;

(b) with respect to any CD Rate Borrowing, the period commencing on the date such Borrowing is made or converted from a Borrowing of another Type or the last day of the next preceding Interest Period with respect to such Borrowing and ending on the day 30, 60, 90 or 180 days thereafter, as the Borrower may select as provided herein;

(c) as to any Base Rate Borrowing, the period commencing on the date of such Borrowing or on the last day of the next preceding Interest Period with respect to such Borrowing, as the case may be, and ending on the earliest of (i) the next Quarterly Date, (ii) the Maturity Date and (iii) the date such Borrowing is converted to a Borrowing of a different Type in accordance with Section 2.11 or prepaid in accordance with Section 2.12; and

(d) with respect to any Money Market Borrowing, the period commencing on the date such Borrowing is made and ending on a date selected by the Borrower pursuant to Section 2.03.

Notwithstanding the foregoing, each Interest Period which would otherwise end on a day which is not a Eurodollar Business Day (in the case of an Interest Period for a Eurodollar Borrowing) or a Business Day (in the case of an Interest Period for a CD Rate Borrowing, Base Rate Borrowing or a Money Market Borrowing) shall end on the next succeeding Eurodollar Business Day or Business Day, as the case may be (or, in the case of an Interest Period for a Eurodollar Borrowing, if such next succeeding Eurodollar Business Day falls in the next succeeding calendar month, on the next preceding Eurodollar Business Day).

"Labor Dispute" shall mean any strike, lockout,

slowdown, combination of workmen, boycott (primary, secondary or otherwise), picketing, disturbance, sabotage, intentional decline in workers' productivity or similar condition or event.

"Labor Laws" shall mean any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments and orders relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing.

"Lease" means a lease, other than a Capital Lease, of real or personal property; and "Lease Rentals" for any period means the sum of the rental and other obligations to be paid by the lessee under a Lease during the remaining term of such Lease (excluding any extension or renewal thereof at the option of the lessor or the lessee unless such option has been exercised), excluding any amount required to be paid by the lessee (whether or not therein designated as rental or additional rental) on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges.

"Leverage Ratio" shall mean, as of any date, the ratio of (a) the sum of (i) Consolidated Debt as of such date, plus (ii) the amount by which (A) the aggregate amount, as of the preceding December 31 (or as of such date, if such date is December 31), of Consolidated Lease Rentals under noncancellable Leases entered into by the Borrower or any of its Restricted Subsidiaries, discounted to present value at 10% and net of aggregate minimum noncancellable sublease rentals, determined on a basis consistent with Note 10 to the Borrower's consolidated financial statements at and for the period ended December 31, 1992, included in the Borrower's 1992 Annual Report to shareholders, exceeds (B) $300,000,000, to (b) the sum of (i) the amount determined pursuant to clause (a), plus (ii) Consolidated Net Worth as of such date.

"Loan Documents" shall mean this Agreement and the Notes.

"Loans" shall mean the Revolving Loans and the Term Loans.

"Long Term Debt" of any Person means all Debt which would, in accordance with GAAP, be classified upon its balance sheet as long term debt, excluding any portion thereof which would, in accordance with GAAP, be classified thereon as current liabilities, and in any event includes (a) any obligation for borrowed money outstanding under a revolving credit or similar agreement providing for borrowings (and renewals and extensions thereof) over a period of more than one year after the creation of such agreement notwithstanding that any obligation thereunder may be payable on demand or within one year after the creation thereof, (b) any Capital Lease Obligation and (c) any guarantee or equivalent or similar obligation under any agreement specified in subsection (a) of the definition of Debt with respect to Debt of another Person of the kind otherwise described in this definition.

"Major Subsidiary" shall mean each of Pittston Coal Company, Brink's, Incorporated and Burlington Air Express Inc., so long as such Major Subsidiary continues to be a Subsidiary of the Borrower.

"Margin Stock" shall have the meaning given such term under Regulation U.

"Maturity Date" shall mean the date five years after the date of this Agreement.

"Money Market Bid" shall mean an offer by a Lender to make a Money Market Loan pursuant to Section 2.03.

"Money Market Borrowing" shall mean a Borrowing consisting of a Money Market Loan or concurrent Money Market Loans from the Lender or Lenders whose Money Market Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.03.

"Money Market Loan" shall mean a Loan from a Lender to

the Borrower pursuant to the bidding procedure described in Section 2.03.

"Money Market Rate" shall mean, as to any Money Market Bid made by a Lender pursuant to Section 2.03, the fixed rate of interest offered by the Lender making such Money Market Bid.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate contributes or has, on or after September 25, 1980, been obligated to contribute.

"Net Worth" of any Person, at any time, means shareholders' equity at such time determined in accordance with GAAP, provided that in determining "Net Worth" there shall be included any issue of preferred stock of such Person and, further provided, that in determining "Net Worth" there shall be disregarded (i) any non-cash write-down or write-off in the book value of any asset, (ii) any loss on the sale of any asset or (iii) any change in shareholders' equity attributable to a change in GAAP or the Borrower's initial implementation of a generally accepted accounting principle or a Financial Accounting Standard issued by the Financial Accounting Standards Board, all after December 31, 1993.

"Note" shall mean a Term Note or a Revolving Credit Note.

"Notice of Assignment" shall mean a notice in the form of Annex I to Exhibit B hereto.

"PBGC" shall mean the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean an individual, a corporation, a company, a voluntary association, a partnership, a trust, a joint venture, an unincorporated organization or a government or any agency, instrumentality or political subdivision thereof or any other judicial entity.

"Plan" shall mean a pension plan within the meaning of Section 3(2) of ERISA subject to Title IV of ERISA which the Borrower or any ERISA Affiliate maintains or to which the Borrower or any ERISA Affiliate contributes, other than a Multiemployer Plan.

"Post-Default Rate" shall mean: (i) in respect of any Loans not paid when due (whether at stated maturity, by acceleration or otherwise), a rate per annum during the period commencing on the due date until such Loans are paid in full equal to 1% above (a) if such Loans are Base Rate Loans, the Base Rate as in effect from time to time or (b) if such Loans are Fixed Rate Loans, the rate of interest in effect thereon at the time of default until the end of the then current Interest Period therefor and, thereafter, the Base Rate as in effect from time to time; and (ii) in respect of other amounts payable by the Borrower hereunder not paid when due (whether at stated maturity, by acceleration or otherwise), a rate per annum during the period commencing on the due date until such other amounts are paid in full equal to 1% above the Base Rate as in effect from time to time.

"Quarterly Dates" shall mean the last Business Day of each March, June, September and December, the first of which shall be the first such day after the date of this Agreement.

"Reference Banks" shall mean Chemical Bank, Credit Suisse and Morgan Guaranty Trust Company of New York.

"Refunding Borrowing" shall mean a Borrowing which, after application of the proceeds thereof, results in no net increase in the outstanding principal amount of all Loans.

"Regulation D" shall mean Regulation D of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation G" shall mean Regulation G of the Board, as

the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulatory Change" shall mean, as to any Lender, any change after the date of this Agreement in United States Federal, state or foreign laws or regulations or the adoption or making after such date of any interpretations, directives, requests applying to a class of banks including such Lender of or under any United States Federal, state, or foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof, including any guideline adopted pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards", excluding, however, but only for purposes of the CD Rate Loans, any such change which results in an adjustment of the Assessment Rate or the Reserve Percentage and the effect of which is reflected in a change in the Adjusted CD Rate as provided in the definition of such term in this Section 1.01.

"Reportable Event" shall have the meaning attributed thereto in Section 4043 of ERISA but shall not include any event for which the 30-day requirement in Section 4043 of ERISA has been waived under regulations of the Pension Benefit Guaranty Corporation.

"Required Lenders" shall mean, at any time, Lenders having Commitments and holding Term Loans representing more than 66-2/3% of the Total Commitment plus the aggregate outstanding principal amount of Term Loans; provided, however, that (i) for purposes of acceleration pursuant to clause (y) of the final clause of Article VII, "Required Lenders" shall mean Lenders holding Loans representing more than 66-2/3% of the aggregate principal amount of Loans outstanding and (ii) for the purpose of waiving a Default or Event of Default at a time when the aggregate outstanding principal amount of Money Market Loans constitutes in excess of 50% of the Total Revolving Credit Commitment and the Revolving Credit Commitments of Lenders with no outstanding Revolving Loans represents more than 35% of the Total Revolving Credit Commitment, "Required Lenders" shall mean both (x) with respect to Lenders with outstanding Revolving Loans, such Lenders having more than 66-2/3% of the aggregate Revolving Credit Commitments of such Lenders and (y) with respect to the Lenders with no outstanding Revolving Loans, such Lenders having more than 66-2/3% of the aggregate Revolving Credit Commitments of such Lenders.

"Reserve Percentage" shall mean, for any day and in respect of an Interest Period, the rate, as determined by the Administrative Agent, which is in effect on such day, expressed as a decimal, of the reserve requirements applicable to member banks of the Federal Reserve System in New York City with deposits exceeding $1 billion which are imposed by the Board on nonpersonal time deposits in Dollars in New York City having a maturity comparable to such Interest Period and in an amount of $100,000 or more.

"Restricted Subsidiary" means (i) any Subsidiary of the Borrower at the date of this Agreement other than a Subsidiary designated as an Unrestricted Subsidiary in Schedule 1.01B and (ii) any Person that becomes a Subsidiary of the Borrower after the date hereof unless prior to such Person becoming a Subsidiary the Board of Directors designates such Subsidiary as an Unrestricted Subsidiary, in each case provided that none of the shares or Long Term Debt of any Restricted Subsidiary are owned, directly or indirectly, by an Unrestricted Subsidiary. A Restricted Subsidiary (other than a Major Subsidiary) may be designated by the Board of Directors as an Unrestricted Subsidiary by written notice to the Administrative Agent, but only if (a) the Subsidiary owns no shares or Long Term Debt of the Borrower or any Restricted Subsidiary and (b) immediately after such designation, the Leverage Ratio is not greater than

0.55:1.00. An Unrestricted Subsidiary may be designated by the Board of Directors as a Restricted Subsidiary by written notice to the Administrative Agent, but only if immediately after such designation (x) the Borrower shall be in compliance with Section 6.02(i) and (y) the Leverage Ratio is not greater than 0.55:1.00.

"Revolving Credit Borrowing" shall mean a Borrowing comprised of Revolving Loans.

"Revolving Credit Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder as set forth in Section 2.01, as the same may be reduced from time to time pursuant to Section 2.10.

"Revolving Credit Note" shall mean a promissory note of the Borrower, substantially in the form of Exhibit A-1, evidencing Revolving Loans.

"Revolving Loan" shall mean a Standby Loan or a Money Market Loan.

"S&P" shall mean Standard and Poor's Corporation.

"Sale and Leaseback Transaction" means the sale by the Borrower or a Restricted Subsidiary to any Person (other than the Borrower or a Restricted Subsidiary) of any property or asset and, as part of the same transaction or series of transactions, the leasing as lessee by the Borrower or any Restricted Subsidiary of the same or another property or asset which it intends to use for substantially the same purpose.

"Senior LT Rating" shall mean, on any date, the rating applicable to senior Index Debt on such date.

"Standby Borrowing" shall mean a Revolving Credit Borrowing comprised of Standby Loans.

"Standby Loans" shall mean the revolving loans made by the Lenders to the Borrower pursuant to Section 2.04. Each Standby Loan shall be a Eurodollar Revolving Loan, a CD Revolving Loan or a Base Rate Revolving Loan.

"Subordinated LT Rating" shall mean, on any date, the rating applicable to subordinated Index Debt on such date.

"Subsidiary" of any designated corporation means any corporation of which at least a majority of the outstanding stock having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the designated corporation or one or more of its Subsidiaries or by the designated corporation and one or more of its Subsidiaries.

"Term Borrowing" shall mean a Borrowing comprised of Term Loans.

"Term Loans" shall mean the term loans made by the Lenders to the Borrower pursuant to Section 2.04. Each Term Loan shall be a Eurodollar Term Loan, a CD Term Loan or a Base Rate Term Loan.

"Term Loan Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Term Loans hereunder as set forth in Section 2.01.

"Term Note" shall mean a promissory note of the Borrower, substantially in the form of Exhibit A-2, evidencing Term Loans.

"Total Commitment" shall mean, at any time, the aggregate amount of Commitments of all the Lenders, as in effect at such time.

"Total Revolving Credit Commitment" shall mean, at any time, the aggregate amount of Revolving Credit Commitments of all the Lenders, as in effect at such time.

"Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall include the Eurodollar Rate, Adjusted CD Rate, Base Rate and Money Market Rate.

"Unrestricted Subsidiary" means any Subsidiary other than a Restricted Subsidiary.

"Utilization Fees" shall have the meaning assigned to that term in Section 2.07(b).

SECTION 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", and, unless the context otherwise requires, the word "or" is not exclusive. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided, all references herein or in any other Loan Document to agreements and other documents shall be deemed references to such agreements and other documents as amended or modified from time to time, subject to any restrictions herein or in the other Loan Documents relating to the amendment or modification thereof. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP.

ARTICLE II. THE CREDITS

SECTION 2.01. Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, (a) to make Term Loans to the Borrower on the Closing Date in an aggregate principal amount not to exceed the Term Loan Commitment set forth opposite its name below, and (b) to make Standby Loans to the Borrower, at any time and from time to time on or after the date hereof and until the earlier of the Maturity Date and the termination of the Revolving Credit Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding not to exceed such Lender's Available Standby Commitment at such time, subject, however, to the condition that (i) except as contemplated by Section 2.10(c), at no time shall (A) the sum of (x) the outstanding aggregate principal amount of all Standby Loans made by a Lender plus (y) the outstanding aggregate principal amount of all Money Market Loans made by such Lender exceed (B) the Revolving Credit Commitment of such Lender and (ii) at no time shall (A) the sum of (1) the outstanding aggregate principal amount of all Standby Loans made by all Lenders plus (2) the outstanding aggregate principal amount of all Money Market Loans made by all Lenders exceed (B) the Total Revolving Credit Commitment. Within the limits set forth in clause (b) of the preceding sentence, the Borrower may borrow, pay or prepay and reborrow Revolving Loans on or after the Closing Date and prior to the Maturity Date, subject to the terms, conditions and limitations set forth herein. Amounts paid or prepaid in respect of Term Loans may not be reborrowed.

Each Lender's Term Loan Commitment and Revolving Credit Commitment are set forth opposite its name in Schedule 2.01. Such Revolving Credit Commitments may be terminated or reduced from time to time pursuant to Section 2.10.

SECTION 2.02. Loans. (a) Each Term Loan shall be made as part of a Borrowing consisting of Term Loans made by the Lenders ratably in accordance with their respective Term Loan Commitments. Each Standby Loan shall be made as part of a Borrowing consisting of Standby Loans made by the Lenders ratably in accordance with their respective Available Standby Commitments. Each Money Market Loan shall be made in accordance with the procedures set forth in Section 2.03. Notwithstanding the foregoing, the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan

required to be made by such other Lender). The Loans comprising each Standby Borrowing and Term Borrowing shall be in an aggregate principal amount which is an integral multiple of $1,000,000 and not less than $5,000,000 (or an aggregate principal amount equal to the remaining balance of the available applicable Commitments), and the Loans comprising each Money Market Borrowing shall be in an aggregate principal amount which is an integral multiple of $100,000 and not less than $1,000,000 (or an aggregate principal amount equal to the remaining balance of the available Revolving Credit Commitments).

(b) Each Term Borrowing shall be comprised entirely of Base Rate Loans, CD Rate Loans or Eurodollar Loans, each Standby Borrowing shall be comprised entirely of Base Rate Loans, CD Rate Loans or Eurodollar Loans, and each Money Market Borrowing shall be comprised entirely of Money Market Loans, in each case as the Borrower may request pursuant to Section 2.03 or 2.04, as applicable. The Loans of each Type made by a Lender shall be made and maintained at such Lender's Applicable Lending Office for Loans of such Type.

(c) Subject to Section 2.05, each Lender shall make each Term Loan and Standby Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in New York, New York, at its address specified pursuant to Section 10.14, not later than 3:00 p.m., New York City time, and the Administrative Agent shall by 5:00 p.m., New York City time, credit the amounts so received to the general deposit account of the Borrower with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders. Each Lender shall make each Money Market Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the account of the Borrower set forth below the Borrower's name on the signature pages hereto (or such other account as may be designated by the Borrower by notice in accordance with Section 10.14) not later than 5:00 p.m., New York City time. Money Market Loans shall be made by the Lender or Lenders whose Money Market Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted and Term Loans and Standby Loans shall be made by the Lenders pro rata in accordance with Section 2.13. Unless the Administrative Agent shall have received notice from the Borrower or a Lender, as the case may be, prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it will not make such payment, the Administrative Agent may assume that such payment has been made, and the Administrative Agent may, in reliance upon such assumption, make available to the intended recipient on such date a corresponding amount. If and to the extent that the Borrower or the Lender, as the case may be, shall not have made such payment to the Administrative Agent, the recipient of such payment agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon for each day from the date such amount is made available to the recipient until the date such amount is repaid to the Administrative Agent at (i) in the case of repayment by the Borrower, the interest rate applicable at the time to the relevant Loans and (ii) in the case of repayment by a Lender, the Federal Funds Effective Rate. If a Lender shall pay to the Administrative Agent such corresponding amount in respect of its portion of a Borrowing prior to repayment of such corresponding amount by the Borrower, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Money Market Bid Procedure. (a) A Lender may, in its sole and absolute discretion, submit a Money Market Bid to the Borrower on any Business Day. A Money Market Bid may be submitted to the Borrower by hand delivery, telecopier or by telephone and must be submitted by 10:30 a.m., New York City time, on the Business Day to which it applies. Each Money Market Bid shall set forth (i) one or more Interest

Periods (or Interest Period ranges) and a Money Market Rate with respect to each such Interest Period (or range) and (ii) the maximum amount the Lender is willing to lend pursuant to such Money Market Bid (which shall not exceed such Lender's Available Money Market Commitment, taking into account all Standby Borrowings to be made on the date of such Money Market Bid), in the aggregate or for specified Interest Periods (or ranges). Notwithstanding anything to the contrary in a Money Market Bid, each Money Market Bid shall be irrevocable in respect of the date on which it is submitted and shall automatically expire at 11:30 a.m., New York City time, on the date submitted.

(b) If Money Market Bids were made by Lenders on a Business Day with respect to a particular Interest Period and such bids expired at 11:30 a.m., New York City time, on such Business Day pursuant to paragraph (a) above, the Borrower may, in its sole and absolute discretion, subject only to the provisions of this Section 2.03, contact one or more of such Lenders, by hand delivery, telecopier or telephone, prior to 3:00 p.m., New York City time, on such Business Day to request such Lenders to reinstate such Money Market Bids for such Interest Period or provide new Money Market Bids for such Interest Period on such Business Day; provided, however, that (i) the Borrower shall not request a bid from a Lender in respect of an Interest Period unless such Lender submitted a bid in respect of such Interest Period on such Business Day in accordance with paragraph (a) above, (ii) the Borrower shall not request a bid from a Lender in respect of an Interest Period unless it is requesting bids from all Lenders that on such Business Day submitted bids in respect of such Interest Period pursuant to paragraph (a) above that were equal to or lower than the bid submitted by such Lender pursuant to paragraph (a) above, (iii) the Borrower shall not disclose to any Lender the bid of any other Lender, and (iv) the Borrower shall not accept a bid from a Lender other than the Lenders requested by the Borrower to bid pursuant to this paragraph (b). A Money Market Bid may be reinstated or submitted in response to any such request by hand delivery, telecopier or by telephone. Notwithstanding anything to the contrary in any Money Market Bid reinstated or submitted pursuant to this paragraph (b), each such Money Market Bid shall be irrevocable in respect of the date on which it is reinstated or submitted and shall automatically expire at the earlier of (x) 3:00 p.m., New York City time, on the date submitted and (y) one hour after such Money Market Bid is received by the Borrower.

(c) The Borrower may, in its sole and absolute discretion, subject only to the provisions of this Section 2.03, accept any Money Market Bid submitted pursuant to paragraph (a) or (b) above by notifying the Lender submitting such Money Market Bid and the Administrative Agent (by telephone, which telephone notice shall be confirmed (x) by telecopier to the Administrative Agent and (y) in writing, which may include regular first class mail, to such Lender) of such acceptance by not later than the expiration time of such bid, indicating the Interest Period, Money Market Rate and principal amount of the Money Market Loan to be made by such Lender on such Business Day; provided, however, that (i) the Borrower shall not accept a bid made at a particular Money Market Rate for a particular Interest Period if the Borrower has decided to reject a bid made at a lower Money Market Rate for such Interest Period, (ii) the aggregate amount of each Money Market Borrowing shall not be less than $1,000,000 and shall be in an integral multiple of $100,000, (iii) if the Borrower accepts a bid at a particular Money Market Rate for a particular Interest Period and the aggregate bids at such Money Market Rate for such Interest Period exceed the aggregate amount the Borrower wishes to borrow at such Money Market Rate and Interest Period, then the Borrower shall accept such bids pro rata in accordance with the maximum amounts that could be accepted from the Lenders making such bids (taking into account the amounts set forth in the bids and the limitation in clause (iv) below), (iv) the aggregate amount of Money Market Bids accepted by the Borrower from any Lender shall not exceed such Lender's Available Money Market Commitment (taking into account all Standby Borrowings to be made on the date of such Money Market Bids), and (v) the Borrower shall not accept a Money Market Bid on any Business Day unless such Money Market Bid was received by the Borrower on such Business Day in accordance with this Section 2.03. A notice given by the Borrower pursuant to this paragraph (c) shall be irrevocable.

(d) Upon receipt by a bidding Lender of notice from the Borrower in accordance with paragraph (c) above that a bid made by such Lender has been accepted, such Lender will thereupon become bound, subject to the other applicable conditions hereof, to make the Money Market Loan in respect of which its bid has been accepted.

(e) Except as expressly provided otherwise in this Section 2.03, all notices required by this Section 2.03 shall be given in accordance with Section 10.14.

(f) At the written request of any Lender, the Borrower shall disclose to the Administrative Agent the Money Market Bids received by the Borrower on any date specified in such request, provided that such date is not more than 30 days prior to the date on which such request is received by the Borrower.

SECTION 2.04. Notice of Term and Standby Borrowings. The Borrower shall give the Administrative Agent written or telecopy notice (or telephone notice promptly confirmed in writing or by telecopy) (a) in the case of a Eurodollar Borrowing, not later than 12:00 (noon), New York City time, three Eurodollar Business Days before a proposed borrowing, (b) in the case of a CD Rate Borrowing, not later than 12:00 (noon), New York City time, two Business Days before a proposed borrowing and (c) in the case of a Base Rate Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed borrowing. Such notice shall be irrevocable and shall in each case refer to this Agreement and specify (i) whether the Borrowing then being requested is to be a Term Borrowing or a Standby Borrowing, and whether such Borrowing is to be a Eurodollar Borrowing, a CD Rate Borrowing or a Base Rate Borrowing; (ii) the date of such Borrowing (which shall be a Eurodollar Business Day, in the case of a Eurodollar Borrowing, or a Business Day in the case of a CD Rate Borrowing or a Base Rate Borrowing) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Borrowing or CD Rate Borrowing, the Interest Period with respect thereto. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period with respect to any Eurodollar Borrowing or CD Rate Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration, in the case of a Eurodollar Borrowing, or 30 days' duration, in the case of a CD Rate Borrowing. If the Borrower shall not have given notice in accordance with this Section 2.04 of its election to refinance a Revolving Credit Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with a Base Rate Borrowing. The Administrative Agent shall promptly advise the Lenders of any notice given or deemed given pursuant to this Section 2.04 and of each Lender's portion of the requested Borrowing.

SECTION 2.05. Refinancings. The Borrower may refinance all or any part of any Standby Borrowing with a Standby Borrowing of the same or a different Type made pursuant to Section 2.04, subject to the conditions and limitations set forth herein and elsewhere in this Agreement. Any Standby Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.06 with the proceeds of a new Standby Borrowing hereunder and the proceeds of the new Standby Borrowing, to the extent they do not exceed the principal amount of the Standby Borrowing being refinanced, shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the Borrower pursuant to Section 2.02(c); provided, however, that (i) if the principal amount extended by a Lender in a refinancing is greater than the principal amount extended by such Lender in the Standby Borrowing being refinanced, then such Lender shall pay such difference to the Administrative Agent for distribution to the Lenders described in (ii) below, (ii) if the principal amount extended by a Lender in the Standby Borrowing being refinanced is greater than the principal amount being extended by such Lender in the refinancing, the Administrative Agent shall return the difference to such Lender out of amounts received pursuant to (i) above, and (iii) to the extent any Lender fails to pay the Administrative Agent amounts due from it pursuant to (i) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in

accordance with Section 2.06 and shall be payable by the Borrower (but the Borrower shall not be deemed to be in default in respect of its obligation to make such payment until two Business Days after the Administrative Agent shall have notified it of the failure of such Lender to make such payment).

SECTION 2.06. Notes; Repayment of Loans. The Revolving Loans and Term Loans made by each Lender shall be evidenced by a Revolving Credit Note and a Term Note, respectively, duly executed on behalf of the Borrower, dated the Closing Date, in substantially the form attached hereto as Exhibit A-1 or A-2, respectively, with the blanks appropriately filled, payable to the order of such Lender in a principal amount equal to such Lender's Revolving Credit Commitment, in the case of its Revolving Credit Note, or Term Loan Commitment, in the case of its Term Note. The outstanding principal balance of each Loan, as evidenced by such a Note, shall be payable (a) in the case of a Revolving Loan, on the last day of the Interest Period applicable to such Loan and on the Maturity Date and (b) in the case of a Term Loan, on the Maturity Date. Each Note shall bear interest from the date of the first borrowing hereunder on the outstanding principal balance thereof as set forth in Section 2.08. Each Lender shall, and is hereby authorized by the Borrower to, endorse on the schedule attached to each Note delivered to such Lender (or on a continuation of such schedule attached to such Note and made a part thereof), or otherwise to record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, each payment of interest on any such Loan and the other information provided for on such schedule; provided, however, that the failure of any Lender to make such a notation or any error therein shall not affect the obligation of the Borrower to repay the Loans made by such Lender in accordance with the terms of this Agreement and the applicable Notes.

SECTION 2.07. Fees. (a) The Borrower agrees to pay to each Lender, through the Agent, on the Quarterly Dates in each year, and on the date on which the Revolving Credit Commitment of such Lender shall be terminated as provided herein, a commitment fee (a "Commitment Fee") equal to the Applicable Commitment Fee Rate per annum on the average daily unused amount of the Revolving Credit Commitment of such Lender during the preceding quarter (or shorter period commencing with the earlier of the Closing Date and March 10, 1994, or ending with the Maturity Date or the date on which the Revolving Credit Commitment of such Lender shall be terminated). All Commitment Fees shall be computed on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. The Commitment Fee due to each Lender shall commence to accrue on the earlier of the Closing Date and March 10, 1994, and shall cease to accrue on the date on which the Revolving Credit Commitment of such Lender shall be terminated as provided herein.

(b) The Borrower agrees to pay to each Lender, through the Administrative Agent, on the Quarterly Dates in each year, and on the date on which the Revolving Credit Commitment of such Lender shall be terminated as provided herein, a utilization fee (the "Utilization Fee") equal to (i) the average daily outstanding principal amount of the Revolving Loans of such Lender during the preceding quarter (or shorter period commencing with the Closing Date or ending with the Maturity Date or the date on which the Revolving Credit Commitment of such Lender shall be terminated), multiplied by (ii) the Applicable Utilization Rate per annum; provided, however, that a Utilization Fee shall be paid in respect of a quarter or period only if the Average Utilized Percentage during such quarter or period shall have been greater than 50%. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, the administrative agent fee (the "Administrative Agent Fee") separately agreed in writing between the Borrower and the Administrative Agent, at the times and in the amounts so agreed.

(d) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for prompt distribution, if and as appropriate, among the Co-Agents and the Lenders. Once paid, none of the Fees shall be refundable

under any circumstances, absent manifest error.

SECTION 2.08. Interest on Loans. (a) Subject to the provisions of Section 2.09, the Loans comprising each Base Rate Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.09, the Loans comprising each CD Rate Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Adjusted CD Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Subject to the provisions of Section 2.09, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(d) Subject to the provisions of Section 2.09, each Money Market Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the Borrower pursuant to Section 2.03.

(e) Interest on each Loan shall be payable on the Interest Payment Dates applicable to such Loan except as otherwise provided in this Agreement. The applicable Base Rate, Adjusted CD Rate or Eurodollar Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error in the determination thereof.

SECTION 2.09. Default Interest. If the Borrower shall default in the payment of the principal of any Loan or any other amount becoming due hereunder, by acceleration or otherwise, the Borrower shall on demand from time to time pay interest, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment at the applicable Post-Default Rate.

SECTION 2.10. Termination and Reduction of Commitments. (a) The Term Loan Commitments shall be automatically terminated at 5:00 p.m., New York City time, on the earlier of the Closing Date and April 1, 1994. The Revolving Credit Commitments shall be automatically terminated on the Maturity Date.

(b) Upon at least three Business Days' prior irrevocable written or telecopy notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Revolving Credit Commitments; provided, however, that each partial reduction of the Commitments shall be in an integral multiple of $1,000,000 and in a minimum principal amount of $5,000,000.

(c) Each reduction in the Commitments hereunder shall be made ratably among the Lenders in accordance with their respective applicable Commitments (it being recognized that a reduction may reduce the Revolving Credit Commitment of a Lender to an amount less than the aggregate outstanding principal amount of Revolving Loans made by such Lender if such Revolving Loans include Money Market Loans). The Borrower shall pay to the Administrative Agent for the account of the Lenders, on the date of each termination or reduction, the Commitment Fees on the amount of the Commitments so terminated or reduced accrued to the date of such termination or reduction.

SECTION 2.11. Conversion and Continuation of Term Borrowings. The Borrower shall have the right at any time upon prior irrevocable notice to the Administrative Agent (i) not later than 11:00 a.m., New York City time, on the day of conversion, to convert any Borrowing comprised of Eurodollar Term Loans or CD Term Loans into a Borrowing comprised of Base Rate

Term Loans, (ii) not later than 12:00 (noon), New York City time, two Business Days prior to conversion or continuation, to convert any Borrowing comprised of Eurodollar Term Loans or Base Rate Term Loans into a Borrowing comprised of CD Term Loans or to continue any Borrowing comprised of CD Term Loans as a Borrowing comprised of CD Term Loans for an additional Interest Period, (iii) not later than 12:00 (noon), New York City time, three Business Days prior to conversion, to convert the Interest Period with respect to any Borrowing comprised of CD Term Loans to another permissible Interest Period, (iv) not later than 12:00 (noon), New York City time, three Eurodollar Business Days prior to conversion or continuation, to convert any Borrowing comprised of CD Term Loans or Base Rate Term Loans into a Borrowing comprised of Eurodollar Term Loans or to continue any Borrowing comprised of Eurodollar Term Loans as a Borrowing comprised of Eurodollar Term Loans for an additional Interest Period, and (v) not later than 12:00 (noon), New York City time, three Eurodollar Business Days prior to conversion, to convert the Interest Period with respect to any Borrowing comprised of Eurodollar Term Loans to another permissible Interest Period, subject in each case to the following:

(a) each conversion or continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the converted or continued Term Borrowing;

(b) if less than all the outstanding principal amount of any Term Borrowing shall be converted or continued, the aggregate principal amount of such Term Borrowing converted or continued shall be an integral multiple of $1,000,000 and not less than $5,000,000;

(c) each conversion shall be effected by each Lender by applying the proceeds of the new Term Loan of such Lender resulting from such conversion to the Term Loan (or portion thereof) of such Lender being converted; accrued interest on a Term Loan (or portion thereof) being converted shall be paid by the Borrower at the time of conversion;

(d) if any Borrowing comprised of CD Term Loans or Eurodollar Term Loans is converted at a time other than the end of the Interest Period applicable thereto, the Borrower shall pay, upon demand, any amounts due to the Lenders pursuant to Section 3.05;

(e) a Term Borrowing may not be converted into or continued as a Borrowing comprised of CD Term Loans if the Maturity Date will occur in less than 30 days;

(f) a Term Borrowing may not be converted into or continued as a Borrowing comprised of Eurodollar Term Loans if the Maturity Date will occur in less than one month; and

(g) any portion of a Borrowing comprised of CD Term Loans or Eurodollar Term Loans which cannot be converted into or continued as a Borrowing comprised of CD Term Loans or Eurodollar Term Loans by reason of clauses (e) and (f) above shall be automatically converted at the end of the Interest Period in effect for such Borrowing into a Term Borrowing comprised of Base Rate Term Loans.

Each notice pursuant to this Section 2.11 shall be irrevocable and shall refer to this Agreement and specify (i) the identity and amount of the Term Borrowing that the Borrower requests be converted or continued, (ii) whether such Term Borrowing is to be converted to or continued as a Term Borrowing comprised of CD Term Loans, a Term Borrowing comprised of Eurodollar Term Loans or a Term Borrowing comprised of Base Rate Term Loans, (iii) if such notice requests a conversion, the date of such conversion (which shall be a Eurodollar Business Day, in the case of conversion to a Borrowing comprised of Eurodollar Term Loans, or a Business Day, in the case of conversion to a Borrowing comprised of CD Term Loans or Base Rate Term Loans) and (iv) if such Term Borrowing is to be converted to or continued as a Borrowing comprised of CD Term Loans or Eurodollar Term Loans, the Interest Period with respect thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a Borrowing comprised of CD Term Loans or Eurodollar Term Loans, the Borrower shall be deemed to have selected an Interest Period of 30 days' duration, in the case of

a Borrowing comprised of CD Term Loans, or one month's duration, in the case of a Borrowing comprised of Eurodollar Term Loans. The Administrative Agent shall advise the other Lenders of any notice given or deemed given pursuant to this Section 2.11 and of each Lender's portion of any converted or continued Term Borrowing. If the Borrower shall not have given notice in accordance with this Section 2.11 to continue any Term Borrowing into a subsequent Interest Period (and shall not otherwise have given notice in accordance with this Section 2.11 to convert such Term Borrowing), such Term Borrowing shall, at the end of the Interest Period applicable thereto (unless repaid pursuant to the terms hereof), automatically be continued into a new Interest Period as a Borrowing comprised of Base Rate Term Loans.

SECTION 2.12. Prepayment. (a) The Borrower shall have the right at any time and from time to time to prepay any Revolving Credit Borrowing or Term Borrowing, in whole or in part, upon prior written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Administrative Agent; provided, however, that each partial prepayment shall be in an amount which is an integral multiple of $1,000,000 and not less than $5,000,000. Such notice shall be given (i) in the case of a Eurodollar Borrowing or a CD Rate Borrowing, at least three Business Days prior to the prepayment date and (ii) in the case of a Base Rate Borrowing, not later than 12:00 (noon), New York City time, on the prepayment date.

(b) On the date of any termination or reduction of the Revolving Credit Commitments pursuant to Section 2.10, the Borrower shall pay or prepay so much of the Standby Borrowings as shall be necessary in order that the aggregate principal amount of the Revolving Loans outstanding will not exceed the Total Revolving Credit Commitment after giving effect to such termination or reduction.

(c) The Required Lenders shall have the right, at their option and upon notice to the Borrower, to demand prepayment of all Loans and termination of all Commitments in the event of (i) a consolidation or merger involving the Borrower, if the Borrower or a Restricted Subsidiary shall not be the successor or surviving corporation, (ii) a sale or other disposition by the Borrower of its assets as an entirety or substantially as an entirety or (iii) a Change in Control; provided, however, that such right must be exercised and such notice given within the period of 60 days following any such event. The Lenders acknowledge that such demand for prepayment of the Loans and termination of the Commitments pursuant to this Section 2.12(c) shall in no event constitute a Default or Event of Default. The Borrower shall prepay all Loans and terminate all Commitments within five Business Days following receipt of such a notice from the Administrative Agent, at the request of the Required Lenders.

(d) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein on the date stated therein. All prepayments under this Section 2.12 shall be subject to Section 3.05 but otherwise without premium or penalty. All prepayments under this Section 2.12 shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment.

SECTION 2.13. Pro Rata Treatment. Except as required under Section 3.04 or 3.06: (i) each Term Borrowing, each payment or prepayment of principal of any Term Borrowing, each payment of interest on the Term Loans and each conversion of any Term Borrowing to or continuation of any Term Borrowing as a Borrowing of any Type shall be allocated pro rata among the Lenders in accordance with their respective Term Loan Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Term Loans); (ii) each Standby Borrowing and each refinancing of any Standby Borrowing shall be allocated pro rata among the Lenders in accordance with their Available Standby Commitments; (iii) each payment of Commitment Fees or Utilization Fees shall be allocated pro rata among the Lenders in accordance with the respective Commitment Fees or Utilization Fees, as the case may be, owed to the Lenders; (iv) each reduction of the Commitments shall be allocated pro rata among the Lenders in accordance with their respective Commitments; (v) each payment of

principal of any Revolving Credit Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective principal amounts of their outstanding Revolving Loans comprising such Borrowing; and (vi) each payment of interest on any Revolving Credit Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Revolving Loans comprising such Borrowing. Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.14. Sharing of Setoffs. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower, or pursuant to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan or Loans as a result of which the unpaid principal portion of its Term Loans and Revolving Loans shall be proportionately less than the unpaid principal portion of the Term Loans or Revolving Loans, as the case may be, of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the applicable Loans of such other Lender, so that the aggregate unpaid principal amount of such Loans and participations in such Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all such Loans then outstanding as the principal amount of its Term Loans and Revolving Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all such Term Loans or Revolving Loans, as the case may be, outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.14 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.15. Payments. (a) The Borrower shall make each payment of principal and interest hereunder in respect of any Money Market Loan not later than 4:00 p.m., New York City time, on the date when due in dollars to the Applicable Lending Office of the Lender that made such Loan in immediately available funds. The Borrower shall make each other payment (including principal of or interest on any Term Borrowing or Standby Borrowing or any Fees or other amounts) hereunder not later than 3:00 p.m., New York City time, on the date when due in dollars to the Administrative Agent at its offices designated pursuant to Section 10.14 in immediately available funds.

(b) Whenever any payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder shall become due, or otherwise would occur, on a day that is not a Eurodollar Business Day (in the case of Eurodollar Loans) or a Business Day (in all other cases), such payment may be made on the next succeeding Eurodollar Business Day (unless such next succeeding Eurodollar Business Day is the first Eurodollar Business Day of a calendar month, in which case such date shall be the next preceding Eurodollar Business Day) or Business Day, as the case may be, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.16. Taxes. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.15, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto,

excluding (i) in the case of each Lender and each Agent, taxes that would not be imposed but for a connection between such Lender or such Agent (as the case may be) and the jurisdiction imposing such tax, other than a connection arising solely by virtue of the activities of such Lender or such Agent (as the case may be) pursuant to or in respect of this Agreement or under any other Loan Document, including, without limitation, entering into, lending money or extending credit pursuant to, receiving payments under, or enforcing, this Agreement or any other Loan Document, and (ii) in the case of each Lender, any withholding taxes payable with respect to payments hereunder or under the other Loan Documents under laws (including, without limitation, any statute, treaty, ruling, determination or regulation) in effect on the Initial Date (as hereinafter defined) for such Lender, and on the date, if any, on which such Lender changes any Applicable Lending Office by designating a different Applicable Lending Office (a "New Lending Office"), but not excluding any withholding taxes payable solely as a result of any change in such laws occurring after the Initial Date or the designation of such New Lending Office, as the case may be, (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). For purposes of this Section 2.16, the term "Initial Date" shall mean (i) in the case of each Lender as of the date of this Agreement, the date of this Agreement, and (ii) in the case of any other Lender, the effective date specified in the Notice of Assignment delivered when such Lender became a Lender. If any Taxes shall be required by law to be deducted from or in respect of any sum payable hereunder or under any other Loan Document to any Lender or any Agent (i) the sum payable by the Borrower shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.16) such Lender or Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and each Agent for the full amount of Taxes and Other Taxes paid by such Lender or such Agent, as the case may be, and any liability (including interest and penalties, if any) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant taxing authority or other Governmental Authority. Such indemnification shall be made within 30 days after the date any Lender or Agent, as the case may be, makes written demand therefor. If a Lender or an Agent shall become aware that it is entitled to receive a refund (including interest and penalties, if any) in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower pursuant to this Section 2.16, it shall promptly notify the Borrower of the availability of such refund and shall, within 30 days after receipt of a request by the Borrower, apply for such refund at the Borrower's expense. If any Lender or Agent receives a refund in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrower pursuant to this Section 2.16, it shall promptly notify the Borrower of such refund and shall, within 30 days after receipt of a request by the Borrower (or promptly upon receipt, if the Borrower has requested application for such refund pursuant hereto), repay such refund (including interest and penalties, if any) to the Borrower (to the extent of amounts that have been paid by the Borrower under this Section 2.16 with respect to such refund), net of all out-of-pocket expenses of such Lender or Agent; provided that the Borrower, upon the request of such Lender or Agent, agrees to return such refund (including interest and penalties, if any) to such Lender or Agent in the event such Lender or Agent is required to repay such refund.

(d) Within 30 days after the date of any payment of Taxes or Other Taxes withheld by the Borrower in respect of any payment to any Lender or any Agent, the Borrower will furnish to

the Administrative Agent, at its address referred to in Section 10.14, the original or a certified copy of a receipt evidencing payment thereof.

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.16 shall survive the payment in full of the principal of and interest on all Loans made hereunder.

(f) At least five Business Days prior to the first date on which interest or fees are payable hereunder for the account of any Lender, each Lender that is not incorporated under the laws of the United States of America, or a state thereof (a "Non-U.S. Lender"), agrees that it will deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, certifying in either case that such Non-U.S. Lender is entitled to receive payments under the Loan Documents without deduction or withholding of any United States Federal income taxes. Each Non-U.S. Lender that so delivers a Form 1001 or 4224 further undertakes to deliver to each of the Borrower and the Administrative Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes invalid or obsolete, or on or before the date, if any, such Non-U.S. Lender designates a New Lending Office, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent, in each case certifying that such Lender is entitled to receive payments under the Loan Documents without deduction or withholding of, or at a reduced rate of withholding of, any United States Federal income taxes. Notwithstanding any other provision of this Section 2.16(f), a Non-U.S. Lender shall not be required to deliver any form pursuant to this Section 2.16(f) that such Non-U.S. Lender is not legally able to deliver.

(g) The Borrower shall not be required to indemnify any Non-U.S. Lender, or to pay any additional amounts to any Non-U.S. Lender, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to pay such additional amounts would not have arisen but for a failure by such Lender to comply with the provisions of paragraph (f) above or (ii) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the Initial Date in respect of such Non-U.S. Lender or, with respect to payments to a New Lending Office, the date such Non-U.S. Lender designated such New Lending Office with respect to a Loan.

(h) Any Lender or Agent claiming any additional amounts payable pursuant to this Section 2.16 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by the Borrower or to change the jurisdiction of its Applicable Lending Office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

(i) Each Lender represents and warrants to the Borrower that, as of the Initial Date in respect of such Lender, it is not subject to any withholding of Taxes and would not be entitled to any indemnification payments under this Section 2.16 with respect to payments made by the Borrower to such Lender pursuant to this Agreement or any other Loan Document.

ARTICLE III. YIELD PROTECTION AND ILLEGALITY

SECTION 3.01. Additional Costs. (a) If, as a result of any Regulatory Change:

(i) the basis of taxation of payments to any Lender of the principal of or interest on any Loan (other than a Base Rate Loan) or any other amounts payable under this Agreement in respect thereof (other than in respect of (x) taxes covered by Section 2.16, (y) taxes imposed on the overall net income, regardless of how measured, including but not limited to gross receipts, net worth and asset base, of such Lender or of its Applicable Lending Office for Loans of such Type by the jurisdiction in which such Lender has its

principal office or such Applicable Lending Office or (z) increases in taxes imposed on such Lender or any Applicable Lending Office as a result of a move of its principal office or any Applicable Lending Office to a different tax jurisdiction) is changed; or

(ii) any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, any Lender are imposed, modified or deemed applicable; or

(iii) any other condition affecting this Agreement or any Loan (other than a Base Rate Loan) is imposed on any Lender;

and such Lender determines that, by reason thereof, the cost to such Lender of making or maintaining any of its Loans (other than Base Rate Loans) is increased, or any amount receivable by such Lender hereunder in respect of any of such Loans is reduced, in each case by an amount deemed by such Lender to be material (such increases in cost and reductions in amounts receivable being herein called "Increased Costs"), then the Borrower shall pay to such Lender upon its written request such additional amount or amounts as will compensate such Lender for such Increased Costs. Such Lender will notify the Borrower and the Administrative Agent of any event occurring after the date hereof which will entitle such Lender to compensation pursuant to this Section 3.01(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, be disadvantageous to such Lender. If any Lender requests compensation under this Section 3.01(a), the Borrower may, by notice to such Lender and the Administrative Agent, require that: (x) such Lender furnish to the Borrower a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof; or (y) the Loans of the Type with respect to which such compensation is requested be either prepaid or converted into Loans of another Type in accordance with Section 3.04. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this Section 3.01(a) with respect to any Money Market Loan if the Regulatory Change giving rise to such request shall, or in good faith should, have been taken into account in formulating the Money Market Bid pursuant to which such Money Market Loan shall have been made.

(b) Without limiting (but without duplicating) the effect of the foregoing provisions of this Section 3.01, upon written request from any Lender to the Borrower and the Administrative Agent, the Borrower shall pay to such Lender on the last day of each Interest Period for any Eurodollar Loan, so long as such Lender may be required to maintain reserves against "Eurocurrency Liabilities" under Regulation D of the Board, an additional amount equal to the product of the following for each such Eurodollar Loan for each day during such Interest Period:

(i) the principal amount of such Eurodollar Loan outstanding on such day;

(ii) the remainder of (x) a fraction the numerator of which is the Eurodollar Rate (expressed as a decimal) and the denominator of which is one minus the applicable percentage rate, if any, stated in Regulation D of the Board at which reserves are to be maintained under said Regulation D for such day during such Interest Period against "Eurocurrency Liabilities" (but only to the extent such reserves were actually maintained by such Lender on such day) minus (y) the Eurodollar Rate; and

(iii) 1/360.

(c) Without limiting (but without duplicating) the effect of the foregoing, if at any time any Lender shall have determined that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender (or its Applicable Lending Office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or

comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided, however, that to the extent any reduction in the rate of return on such Lender's capital results both from its obligations hereunder and from developments in its business or financial position not related to this Agreement, such Lender shall, in determining the amount necessary to compensate it under this paragraph, attempt in good faith to take account of the relative contributions of such obligations hereunder and such other developments or change in its financial position to such reduction.

(d) Each Lender will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation under this Section 3.01, and will designate a different Applicable Lending Office for each affected Loan if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate of such Lender setting forth the additional amount or amounts required to compensate such Lender in respect of any Increased Costs, the changes as a result of which such amounts are due and the manner of computing such amounts shall be deemed conclusive, provided that the determinations set forth in such certificate are made reasonably and in good faith. The Borrower shall not be obligated to compensate any Lender pursuant to this Section 3.01 for Increased Costs or other amounts accruing prior to the date which is 270 days before such Lender requests compensation. Notwithstanding any other provision of this Section 3.01, no Lender shall demand compensation for any increased cost or reduction referred to above if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any. In the event a Borrower shall reimburse any Lender pursuant to this Section 3.01 for any cost and the Lender shall subsequently receive a refund in respect thereof, the Lender shall so notify the Borrower and, upon its request, will pay to the Borrower the portion of such refund which it shall determine in good faith to be allocable to the cost so reimbursed.

SECTION 3.02. Limitation on Types of Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of an interest rate under Section 2.08 for any CD Rate Loans or Eurodollar Loans for any period:

(i) the Administrative Agent determines (which determination shall be conclusive), based on communications with the Reference Banks, that quotations of interest rates for the relevant deposits are not being provided by the relevant Persons in the relevant amounts or for the relevant maturities for purposes of determining the rate of interest for such Loans under this Agreement, or

(ii) any Lender (an "Affected Lender") shall have determined (which determination shall be conclusive) and shall have notified the Administrative Agent that the rates of interest referred to in the definitions of "Eurodollar Rate" or "CD Base Rate" upon the basis of which the rate of interest on any CD Rate Loans or Eurodollar Loans are to be determined for such period do not accurately reflect the cost to such Lender of making or maintaining such Loans for such period;

then the Administrative Agent shall give the Borrower prompt notice thereof, and so long as such condition remains in effect, the Lenders (in the case of clause (i)) or the Affected Lender (in the case of clause (ii)) shall be under no obligation to make Loans of such Type or to convert Loans of any other Type into Loans of such Type and the Borrower shall, on the last day(s) of the then current Interest Period(s) for the outstanding Loans of the affected Type of all Lenders (in the case of clause (i)) or the Affected Lender (in the case of clause (ii)), prepay such Loans in accordance with Section 2.12, convert such Loans into

another Type or Types of Loans in accordance with Section 2.11 or refinance such Loans into another Type or Types of Loans in accordance with Section 2.05. In the case of clause (ii), all Loans which would otherwise be made by an Affected Lender as Loans of the affected Type shall be made instead as Base Rate Loans and all Loans of such Affected Lender which would otherwise be converted into Loans of the affected Type shall be converted instead into (or shall remain as) Base Rate Loans.

SECTION 3.03. Illegality. Notwithstanding any other provision in this Agreement, in the event that it becomes unlawful for any Lender or the Applicable Lending Office of any Lender to (i) honor its obligation to make Eurodollar Loans hereunder, or (ii) maintain Eurodollar Loans hereunder, then such Lender shall promptly notify the Borrower and the Administrative Agent thereof and such Lender's obligation to make Eurodollar Loans and to convert other Types of Loans into Eurodollar Loans hereunder shall be suspended until such time as such Lender may again make and maintain Eurodollar Loans and such outstanding Eurodollar Loans shall be either prepaid or converted into Base Rate Loans in accordance with Section 3.04. Before giving any notice to the Borrower pursuant to this Section 3.03, such Lender will designate a different Applicable Lending Office for each affected Loan if such designation will avoid the need for giving such notice hereunder and will not, in the sole judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 3.04. Certain Prepayments or Conversions. If Loans of one Type (Loans of such Type being herein called "Affected Loans" and such Type being herein called the "Affected Type") are to be either prepaid or converted pursuant to Section 3.01 or 3.03, such Affected Loans shall be prepaid or automatically converted into Loans of another Type, as the Borrower may elect by notice to the relevant Lender and the Administrative Agent (provided that, if the Borrower fails to give such notice prior to the date two Business Days, if the Affected Loans are or are to be converted into CD Rate Loans or Money Market Loans, or three Eurodollar Business Days, if the Affected Loans are or are to be converted into Eurodollar Loans, before the last day of the first to expire of the then current Interest Periods for the Affected Loans, such Loans will be automatically converted into Base Rate Loans), in either case on the last day(s) of the then current Interest Period(s) for the Affected Loans (or, in the case of a prepayment or conversion required by Section 3.03, on such earlier date as such Lender may specify to the Borrower) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 3.01 or 3.03 which gave rise to such prepayment or conversion no longer exists:

(i) all payments and prepayments of principal which would otherwise be applied to Loans of the Affected Type that would have been made by such Lender or to the converted Affected Loans shall instead be applied to repay the Loans made by such Lender in lieu thereof or resulting from the conversion of such Affected Loans;

(ii) all Loans which would otherwise be made by such Lender as Loans of the Affected Type shall be made instead as Base Rate Loans and all Loans of such Lender which would otherwise be converted into Loans of the Affected Type shall be converted instead into (or shall remain as) Base Rate Loans.

SECTION 3.05. Indemnification. The Borrower shall pay to a Lender, upon the request of such Lender, such amount or amounts as shall compensate such Lender for any loss, cost or expense incurred by such Lender as a result of:

(i) any payment, prepayment or conversion of a Fixed Rate Loan on a date other than the last day of an Interest Period for such Loan; or

(ii) any failure by the Borrower to borrow, convert or prepay a Fixed Rate Loan on the date for such borrowing, conversion or prepayment specified in the relevant notice of borrowing, conversion or prepayment under Section 2.03, 2.04, 2.11 or 2.12;

such compensation to include, without limitation, an amount equal to the excess, if any, of (a) the amount of interest which would

have accrued on the amount so paid, prepaid or converted or not borrowed, converted or prepaid for the period from the date of such payment, prepayment or conversion or failure to borrow, convert or prepay to the last date of the then current Interest Period for such Fixed Rate Loan (or, in the case of a failure to borrow, convert or prepay, the Interest Period for such Fixed Rate Loan which would have commenced on the date of such failure to borrow, convert or prepay) at the applicable rate of interest for such Fixed Rate Loan provided for herein over (b) the amount of interest (as reasonably determined by such Lender) such Lender would have paid on Eurodollar deposits or certificates of deposit (as the case may be) of comparable amounts having terms comparable to such period placed with it by leading banks in the London interbank Eurodollar market or the New York certificate of deposit market (as the case may be).

SECTION 3.06. Termination or Assignment of Commitments Under Certain Circumstances. In the event that the Borrower shall be required to make additional payments to any Lender under Section 2.16, or any Lender shall have delivered a notice or certificate pursuant to Section 3.01, 3.02(ii) or 3.03, the Borrower shall have the right, at its own expense, upon notice to such Lender and the Administrative Agent (a) to terminate the Commitments of such Lender (other than during the continuance of a Default or an Event of Default) or (b) to require such Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.03) all its interests, rights and obligations under this Agreement to another Institutional Lender which shall assume such obligations, provided that (i) no such termination or assignment shall conflict with any law, rule, regulation or order of any Governmental Authority, and (ii) the Borrower or the assignee, as the case may be, shall pay to the affected Lender in immediately available funds on the date of such termination or assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder.

ARTICLE IV. CONDITIONS PRECEDENT

SECTION 4.01. The Initial Loan. The obligations of the Lenders to make their initial Loans hereunder are subject to satisfaction of the following conditions on the Closing Date:

(i) the Administrative Agent shall have been furnished with (a) a copy of the Restated Articles of Incorporation, including all amendments thereto, of the Borrower, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of the Borrower as of a recent date, from such Secretary of State; (b) a certificate of the Secretary or Assistant Secretary of the Borrower dated the Closing Date and certifying (1) that attached thereto is a true and complete copy of the by-laws of the Borrower as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (2) below, (2) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors authorizing the execution, delivery and performance of the Loan Documents and the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, and (3) that the Restated Articles of Incorporation of the Borrower have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (a) above;

(ii) the Administrative Agent shall have received (a) an opinion of the Vice President-Law and Secretary of the Borrower substantially in the form attached hereto as Exhibit C-1 and (b) an opinion of Cravath, Swaine & Moore, special counsel to the Borrower, in the form of Exhibit C-2;

(iii) the Administrative Agent shall have received a certificate of a financial officer of the Borrower, dated the Closing Date, certifying that each of the representations and warranties made by the Borrower herein is true in all material respects as if made on and as of the Closing Date;

(iv) the Administrative Agent shall have received a certificate of a duly authorized officer of the Borrower as to the incumbency, and setting forth a specimen signature, of each of the persons (a) who has signed this Agreement on behalf of the Borrower; (b) who will sign the Notes on behalf of the Borrower; and (c) who will, until replaced by other persons duly authorized for that purpose, act as the representatives of the Borrower for the purpose of signing documents in connection with this Agreement and the transactions contemplated hereby;

(v) the Administrative Agent shall have received, on behalf of each Lender, a duly executed Term Note and Revolving Credit Note;

(vi) all consents and approvals necessary on the Closing Date for the valid execution, delivery and performance by the Borrower of this Agreement and the Notes shall have been obtained and shall be in full force and effect;

(vii) the Administrative Agent shall have received copies of all consents and approvals of any Governmental Authority necessary on the Closing Date for the valid execution, delivery and performance by the Borrower of this Agreement and the Notes;

(viii) the Borrower and each Restricted Subsidiary shall be in compliance with the requirements of all applicable laws, rules, regulations, and orders (other than laws, rules, regulations, and orders which are not final and are being contested in good faith by proper proceedings) of any Governmental Authority (including ERISA, Labor Laws and Environmental Laws), noncompliance with which would materially adversely affect its business or credit;

(ix) the Borrower and each Restricted Subsidiary shall have in place insurance with reputable insurance companies or associations (or, to the extent consistent with prudent business practice, through its own program of self-insurance) in such amounts and covering such risks as is usually carried by companies in similar businesses and owning similar properties in the same general areas in which the Borrower or such Restricted Subsidiary operates;

(x) there shall be no material actions, suits, or proceedings pending against or affecting the Borrower or any of its Subsidiaries or the properties of the Borrower or any of its Subsidiaries before any Governmental Authority that have not been disclosed in writing to the Lenders (including through the delivery of reports and statements filed by the Borrower with the Securities and Exchange Commission) prior to the Closing Date;

(xi) the Borrower shall, on a basis that is satisfactory to the Administrative Agent (having consulted with the relevant Lender with respect to each Existing Lender Credit Agreement) and is substantially contemporaneous with the first Borrowing hereunder on the Closing Date (A) have repaid in full the principal of and accrued interest on all loans and other amounts outstanding under the Existing Lender Credit Agreements and (B) have terminated the Existing Lender Credit Agreements and all commitments thereunder; provided, however, that (without limiting the obligation of the Borrower under the Existing Lender Credit Agreements to pay principal, interest, fees and other amounts) each Lender party to an Existing Credit Agreement agrees that the Borrower may terminate the commitments thereunder and prepay any outstanding amounts thereunder with the proceeds of Borrowings hereunder, in each case on the Closing Date and notwithstanding any notice requirements or other restrictions applicable thereto (which requirements and restrictions are hereby waived) and that a Term Borrowing hereunder shall be deemed notice thereunder to terminate all such commitments and prepay all amounts outstanding thereunder on the date of such Term Borrowing; and

(xii) the Administrative Agent shall have received all Fees and other amounts due and payable hereunder on or prior to the Closing Date.

SECTION 4.02. Each Loan. The obligations of the Lenders to make Loans hereunder in respect of a Borrowing shall be subject to the satisfaction of the following conditions on the date of such Borrowing:

(i) receipt by the Administrative Agent of a notice of borrowing to the extent required by Section 2.04, such notice and each Borrowing pursuant to such notice to constitute a certification by the Borrower that, as of the date of such notice or such Borrowing, as the case may be (a) no Default or Event of Default has occurred and is continuing and (b) each of the representations and warranties made by the Borrower herein, except, in the case of a Refunding Borrowing, the representations and warranties set forth in Section 5.07(b) as to any material adverse change and in Section 5.08, is true and correct in all material respects as if made on and as of such dates, it being expressly understood and agreed, however, that, to the extent that any change in the consolidated financial condition or results of operations of the Borrower is attributable to (a) any Labor Dispute affecting the Borrower's Coal Operations or (b) any non-cash write-down or write-off in the book value of any asset or any loss on the sale of any asset after December 31, 1993, such change shall not be deemed a material adverse change for purposes of Section 5.07(b) or this Section 4.02; and

(ii) immediately after the making of such Borrowing no Default or Event of Default shall have occurred and be continuing.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each of the Lenders as follows:

SECTION 5.01. Corporate Existence. (a) The Borrower is duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia; (b) the Borrower (i) has the requisite power and authority to own its property and assets and to carry on its business as now conducted and (ii) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not have a material adverse effect on the condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole. The Borrower has the corporate power to execute and deliver and to perform its obligations under the Loan Documents and to borrow hereunder.

SECTION 5.02. Non-Contravention. The execution, delivery, and performance by the Borrower of the Loan Documents have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval of the shareholders of the Borrower, (ii) violate any provision of any law, rule, regulation (including, without limitation, Regulation G, U or X of the Board), order, writ, judgment, injunction, decree, determination, or award presently in effect having applicability to the Borrower or any Restricted Subsidiary or of the charter or bylaws of the Borrower or any Restricted Subsidiary, (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease, or instrument to which the Borrower or any Restricted Subsidiary is a party or by which it or its properties may be bound or affected, or (iv) result in the creation of an Encumbrance of any nature upon or with respect to any of the properties now owned or hereafter acquired by the Borrower or any Restricted Subsidiary; and the Borrower and each Restricted Subsidiary is not in default under any such order, writ, judgment, injunction, decree, determination, or award or any such indenture, agreement, lease, or instrument or in default under any such law, rule, or regulation, which default would have a material adverse effect on the consolidated assets, properties, or financial condition of the Borrower and its Restricted Subsidiaries.

SECTION 5.03. No Consent. No authorization, consent, approval, license, exemption of, or filing or registration with, or any other action in respect of any Governmental Authority is or will be necessary for the valid execution, delivery or performance by the Borrower of the Loan Documents.

SECTION 5.04. Binding Obligations. The Loan Documents constitute legal, valid, and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

SECTION 5.05. Title to Properties. The Borrower and each Restricted Subsidiary has good and marketable title to all of the material assets and properties purported to be owned by it, free and clear of all liens except such as are permitted by Section 6.02(i) and except for covenants, restrictions, rights, easements and minor irregularities in title which do not interfere with the occupation, use and enjoyment by the Borrower or the respective Restricted Subsidiaries of such properties and assets in the normal course of business as presently conducted or materially impair the value thereof for such business.

SECTION 5.06. Subsidiaries. All the outstanding shares of the Borrower's Subsidiaries shown in Schedule 5.06 hereto as being owned by the Borrower or any of its Subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and are free and clear of any Encumbrance except as set forth on Schedule 6.02. No Subsidiary owns any shares of the Borrower. Each of the Subsidiaries of the Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; and each of the Subsidiaries of the Borrower (i) has the requisite power and authority to own its property and assets and to carry on its business as now conducted and (ii) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not have a material adverse effect on the condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole.

SECTION 5.07. Financial Statements. (a) The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1992, and the related consolidated statements of operations, shareholders' equity and cash flow of the Borrower and its Subsidiaries for the fiscal year then ended, certified by KPMG Peat Marwick, independent public accountants, copies of which have been delivered to the Lenders, fairly present the consolidated financial condition of the Borrower and its Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Subsidiaries for the period ended on such date, all prepared in accordance with GAAP applied on a consistent basis.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1993, the related unaudited consolidated statement of operations of the Borrower and its Subsidiaries for the fiscal year then ended, and the related unaudited consolidated statement of cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, copies of which have been delivered to the Lenders, fairly present the consolidated financial condition of the Borrower and its Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Subsidiaries for the period ended on such date, subject to normal recurring year-end adjustments, all prepared in accordance with GAAP (except for the omission of notes) applied on a consistent basis; and there has been no material adverse change in such condition or operations since December 31, 1993.

SECTION 5.08. Litigation. Except as otherwise disclosed in writing to the Lenders, including through the delivery of reports and statements filed by the Borrower with the Securities and Exchange Commission and through disclosure contained in documents provided to the Lenders pursuant to Section 6.03(iv), there are no material actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries or the properties of the Borrower or any Subsidiaries before any Governmental Authority or arbitrator, and neither the Borrower nor any of its Subsidiaries is in default (in any respect which might have a material adverse effect on the ability of the Borrower to perform its obligations hereunder or under the Notes) with respect to any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect and applicable to the Borrower or any of its Subsidiaries.

SECTION 5.09. Taxes. The Borrower and each Restricted Subsidiary has filed all material tax returns (Federal, state, and local) required to be filed and paid all taxes shown thereon to be due, including interest and penalties, or provided adequate reserves, in accordance with GAAP, for the payment thereof.

SECTION 5.10. ERISA. Each Plan has complied with and has been administered in all material respects in accordance with the applicable provisions of ERISA and the Code. No Plan has terminated under circumstances giving rise to liability of the Borrower or any ERISA Affiliate to the PBGC under Section 4062, 4063 or 4064 of ERISA, which liability remains unpaid in whole or in part, and no lien under Section 4068 of ERISA exists with respect to the assets of the Borrower or any Subsidiary. No Reportable Event has occurred with respect to any Plan, except for Reportable Events previously disclosed in writing to the Lenders that would not have a material adverse effect on the consolidated financial condition or results of operations of the Borrower or its consolidated Subsidiaries. No accumulated funding deficiency within the meaning of Section 302 of ERISA or Section 412 of the Code (whether or not waived) exists with respect to any Plan, nor does any lien under Section 302 of ERISA or Section 412 of the Code exist with respect to any Plan.

Neither the Borrower nor any ERISA Affiliate has completely or partially withdrawn from any one or more Multiemployer Plans under circumstances which would give rise to withdrawal liability which, in the aggregate, could have a material adverse effect on the consolidated financial condition or results of operations of the Borrower or its consolidated Subsidiaries and which has not been fully paid as of the date hereof. Neither the Borrower nor any ERISA Affiliate has received notice that any Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA), is insolvent (within the meaning of Section 4245 of ERISA), or has terminated under Title IV of ERISA, nor, to the best knowledge of the Borrower, is any such reorganization, insolvency or termination reasonably likely to occur, where such reorganization, insolvency or termination has resulted or can reasonably be expected to result in an increase in the contributions required to be made to such Multiemployer Plan in an amount that would have a material adverse effect on the consolidated financial condition of the Borrower or its consolidated Subsidiaries. Neither the Borrower nor any ERISA Affiliate has failed to make any contribution to a Multiemployer Plan which is required under ERISA or an applicable collective bargaining agreement in an amount which is material in the aggregate (except to the extent there is a good faith dispute as to whether any contribution is owed, the amount owed or the existence of facts that would give rise to a withdrawal).

SECTION 5.11. No Default. No Default and no Event of Default has occurred and is continuing.

SECTION 5.12. Federal Reserve Regulations.
(a) Neither the Borrower nor any Subsidiary of the Borrower is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of the Loans will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose which entails a violation of, or which is inconsistent with, the provisions of the Regulations of the Board, including, without limitation, Regulations G, U or X.

SECTION 5.13. Investment Company Act. The Borrower is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 5.14. Environmental Matters. In the ordinary course of its business, the Borrower conducts an ongoing review of the effect of Environmental Laws and laws relating to occupational safety and health on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including any capital or operating expenditures required for clean-up, closure or restoration of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection and occupational health and safety standards imposed by law or as

a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower represents and warrants that applicable Environmental Laws and laws relating to occupational health and safety do not have a material adverse effect on the business, financial condition or results of operations of the Borrower and its Restricted Subsidiaries, considered as a whole. The Borrower and each Restricted Subsidiary has obtained and holds all material permits, licenses and approvals required under Environmental Laws which are necessary for the conduct of its business and the operation of its facilities, and the Borrower and its Restricted Subsidiaries have not received any written notice of any failure to be in compliance with the terms and conditions of such permits, licenses and approvals, which failure could reasonably be expected to have a material adverse effect on the Borrower and its Restricted Subsidiaries, considered as a whole.

ARTICLE VI. COVENANTS

SECTION 6.01. Affirmative Covenants. So long as any Loan remains outstanding hereunder or any Commitment remains in effect, the Borrower shall, unless the Required Lenders shall otherwise consent in writing:

(i) Payment of Taxes, etc. Pay and discharge, and cause each Restricted Subsidiary to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any properties of the Borrower or any Restricted Subsidiary; provided, however, that neither the Borrower nor any Restricted Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings and against which it is maintaining adequate reserves in accordance with GAAP.

(ii) Maintenance of Insurance. Maintain, and cause each Restricted Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations (or, to the extent consistent with prudent business practice, through its own program of self-insurance) in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Restricted Subsidiary operates.

(iii) Preservation of Corporate Existence, etc. Preserve and maintain, and cause each Restricted Subsidiary to preserve and maintain, its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation; provided, however, that nothing herein contained shall prevent any merger or consolidation permitted by Section 6.02(ii); and provided further that the Borrower shall not be required to cause any Restricted Subsidiary to preserve its corporate existence or any such rights, franchises or privileges if the Borrower shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower and its Subsidiaries taken as a whole and that the loss thereof is not disadvantageous in any material respect to the Borrower and its Subsidiaries taken as a whole.

(iv) Compliance with Laws, etc. Comply, and cause each Subsidiary to comply, with the requirements of all applicable laws, rules, regulations and orders (other than laws, rules, regulations, and orders which are not final and are being contested in good faith by proper proceedings) of any Governmental Authority (including Labor Laws and Environmental Laws), noncompliance with which would materially adversely affect the business or credit of the Borrower or any Restricted Subsidiary.

(v) Compliance with ERISA. Comply, and cause each of

its Subsidiaries to comply, with the minimum funding standards under ERISA with respect to its Plans and use its best efforts, and cause each Restricted Subsidiary to use its best efforts, to comply in all material respects with all other applicable provisions of ERISA and the regulations and interpretations promulgated thereunder.

(vi) Access to Properties. Permit any representatives designated by any Lender, upon reasonable prior notice to the Borrower, to visit the properties of the Borrower or any Subsidiary at reasonable times and as often as reasonably requested.

(vii) Use of Proceeds. Use the proceeds of the Loans for general corporate purposes, including possible acquisitions, in compliance with all applicable legal and regulatory requirements; provided, however, that no portion of the proceeds of any Loan hereunder shall be used to fund any Acquisition unless at such time the board of directors of the subject company shall have either (a) approved such Acquisition or recommended it to shareholders or (b) taken a position that it will neither recommend for or against such Acquisition.

SECTION 6.02. Negative Covenants. So long as any Loan remains outstanding hereunder or any Commitment remains in effect, the Borrower will not, and will not suffer or permit any Restricted Subsidiary to, unless the Required Lenders otherwise consent in writing:

(i) Encumbrances. Have any Debt for borrowed money secured by an Encumbrance on any property of the Borrower or any Restricted Subsidiary, unless (a) the Notes shall have effectively been secured equally and ratably with (or, at the option of the Borrower, prior to) such secured Debt or (b) immediately after giving effect thereto and to any concurrent repayment of Debt, the aggregate amount of all such secured Debt of the Borrower and of each of its Restricted Subsidiaries, plus the aggregate amount of Consolidated Lease Rentals (excluding Consolidated Lease Rentals under Leases in effect as of December 31, 1993, (and any renewal, extension or replacement thereof) and Leases with respect to property not owned by the Borrower on such date), discounted to present value at 10%, compounded annually, arising out of all Sale and Leaseback Transactions to which the Borrower or any of its Restricted Subsidiaries is then a party, does not exceed 5% of Consolidated Net Worth; provided, however, that this subsection (i) shall not apply to, and there shall be excluded from secured Debt in any computation under this subsection (i), Debt secured by:

(t) Encumbrances securing Debt of a Restricted Subsidiary to the Borrower or to a Restricted Subsidiary;

(u) Encumbrances (including Capital Leases) to secure all or any part of the purchase price or to secure Debt assumed or incurred to pay all or part of the purchase price of property acquired by the Borrower or a Restricted Subsidiary after December 31, 1993 on condition that any such Encumbrance shall only cover the acquired property and improvements thereto and shall be created within 12 months after, in the case of property, its acquisition or, in the case of improvements, their completion;

(v) any Encumbrance on any property of a corporation (other than any Affiliate of the Borrower) at the time such corporation becomes a Restricted Subsidiary or is merged with or into or consolidated with the Borrower or a Restricted Subsidiary, provided that (1) such Encumbrance was not created by such corporation in connection with such acquisition, merger or consolidation (other than in the ordinary course of business of such corporation) and (2) such Encumbrance does not extend to any other property of the Borrower or any Restricted Subsidiary;

(w) Encumbrances (including Capital Leases) securing Debt of the Borrower or of a Restricted Subsidiary set forth in Schedule 6.02;

(x) Encumbrances on coal reserves leased by the Borrower or by any Restricted Subsidiary as lessee, securing Debt to the lessors thereof, arising out of such leases;

(y) Encumbrances on any Margin Stock purchased or carried by the Borrower or any of its Subsidiaries; and

(z) the extension, renewal or replacement of any Encumbrance permitted by subsections (u) through (y), inclusive, but only if the principal amount of Debt secured by the Encumbrance immediately prior thereto is not increased and the Encumbrance is not extended to other property.

For purposes of this subsection (i), property of a corporation when it becomes a successor or transferee of the Borrower or a Restricted Subsidiary shall be deemed to have been acquired at that time and any Encumbrance existing on property when acquired shall be deemed to have been created at that time.

The sale or transfer of (A) coal, oil, gas or other minerals in place for a period of time until, or in an amount such that, the transferee will realize therefrom a specified amount of money (however determined) or a specified amount of such coal or other minerals or (B) any other interest in property of the character commonly referred to as a "production payment" shall not be deemed to constitute Debt secured by an Encumbrance.

In the event the Borrower shall hereafter be required to secure the Notes equally and ratably with any other Debt pursuant to this subsection (i), (X) the Borrower will promptly deliver to the Administrative Agent a certificate of a duly authorized officer of the Borrower stating that the provisions of this subsection (i) have been complied with and an opinion of counsel satisfactory to the Administrative Agent to the effect that the provisions of this subsection (i) have been complied with and all instruments executed by the Borrower or any Restricted Subsidiary in the performance of the requirements of this subsection (i) comply with such requirements and have been duly executed and delivered and are valid, binding and enforceable and (Y) the Borrower shall enter into an agreement supplemental hereto, and take such other reasonable action, if any, as the Lenders deem advisable, to enable the Lenders as so secured to enforce their rights hereunder and under the Notes.

(ii) Disposition of Debt and Shares of Restricted Subsidiaries; Issuance of Shares by Restricted Subsidiaries; Consolidation, Merger or Disposition of Assets. (a) Sell or otherwise dispose of any shares or any Long Term Debt of any Restricted Subsidiary, (b) in the case of any Restricted Subsidiary, issue, sell or otherwise dispose of any of such Restricted Subsidiary's shares (other than directors' qualifying shares, to satisfy preemptive rights or in connection with a split or combination of shares or a dividend in shares) except to the Borrower or another Restricted Subsidiary or (c) directly or indirectly, consolidate with or merge with or into or sell, lease or otherwise dispose of all or substantially all of its assets (other than in the ordinary course of business) to any Person, unless, after giving effect thereto, all of the following conditions shall be met:

(w) the Leverage Ratio shall not be greater than 0.55:1.00;

(x) in the case of a consolidation, merger or sale or other disposition of its assets as an entirety or substantially as an entirety to any corporation by the Borrower, the successor or surviving corporation shall be a solvent corporation organized under the laws of a state of the United States of America which (unless it is the Borrower) expressly assumes in writing the due and punctual payment and performance of the obligations of the Borrower hereunder;

(y) if any properties or assets of the Borrower or a Restricted Subsidiary would thereupon become subject to an Encumbrance other than those described in Section 6.02(i)(t) through (z), inclusive, the obligations of the Borrower hereunder shall have been equally and ratably secured with (or, at the option of the Borrower, prior to) any Debt secured by the Encumbrance on such properties and assets, and the last paragraph of Section 6.02(i) shall be applicable thereto; and

(z) no Default or Event of Default has occurred and is continuing.

Provided that the conditions of this Section 6.02(ii) are met, none of the foregoing shall be deemed to prohibit the Borrower and/or its Subsidiaries from selling, transferring, assigning or otherwise disposing of Margin Stock for fair market value.

(iii) Transactions with Affiliates. Engage in any transaction with an Affiliate (other than the Borrower or a Restricted Subsidiary) material to the Borrower or any Restricted Subsidiary on terms more favorable to the Affiliate than would have been obtainable in arm's-length dealing.

(iv) Consolidated Net Worth. Permit Consolidated Net Worth as of the last day of any fiscal quarter of the Borrower to be less than $300,000,000.

(v) Leverage Ratio. Permit the Leverage Ratio as of the last day of any fiscal quarter of the Borrower to be greater than 0.55:1.00.

(vi) Compliance with Regulations G, U and X. In the case of the Borrower and any Subsidiary controlled by the Borrower, purchase or carry any Margin Stock or incur, create or assume any obligation for borrowed money or other liability or make any investment, capital contribution, loan, advance or extension of credit or sell or otherwise dispose of any assets or pay any dividend or make any other distribution to its shareholders or take or permit to be taken any other action or permit to occur or exist any event or condition if such action, event or condition would result in this Agreement, the Loans, the use of the proceeds thereof or the other transactions contemplated hereby violating or being inconsistent with Regulation G, U or X, including, Section 221.3(f) of Regulation U.

(vii) Hedging Agreements. Enter into material Hedging Agreements for the purpose of speculation and not for the purpose of hedging risks associated with the businesses of the Borrower and its Subsidiaries.

(viii) ERISA. (a) Terminate, or permit any of its Subsidiaries to terminate, any Plan under circumstances which would reasonably result in a material liability of the Borrower or any ERISA Affiliate to the PBGC, or permit to exist the occurrence of any Reportable Event or any other event or condition which presents a material risk of such a termination by the PBGC; (b) engage, or permit any of its Subsidiaries or any Plan to engage, in a "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) that would reasonably result in material liability of the Borrower or any of its Subsidiaries; (c) fail, or permit any of its Subsidiaries to fail, to make any contribution to a Multiemployer Plan which is required by ERISA or an applicable collective bargaining agreement in an amount which is material (except to the extent there is a good faith dispute as to whether any contribution is owed, the amount owed or the existence of facts that would give rise to a withdrawal); or (d) completely or partially withdraw, or permit any of its Subsidiaries to completely or partially withdraw, from a Multiemployer Plan, if such complete or partial withdrawal will result in any material withdrawal liability under Title IV of ERISA. For purposes of this clause (viii), an amount is material if it would have a material adverse effect on the consolidated financial condition or results of operations of the Borrower and its consolidated

Subsidiaries, and the materiality of any amount described in this clause (viii) shall be determined after aggregation with all other liabilities described in this clause (viii).

SECTION 6.03. Reporting Requirements. So long as any Loan remains outstanding hereunder or any Commitment remains in effect, the Borrower will, unless the Required Lenders shall otherwise consent in writing:

(i) furnish to the Administrative Agent (1) annually, as soon as available, but in any event within 120 days after the last day of each of its fiscal years, a consolidated balance sheet of the Borrower, as at such last day of the fiscal year, and consolidated statements of operations and cash flow for the Borrower for such fiscal year, each prepared in accordance with GAAP, in reasonable detail, and certified by independent certified public accountants of recognized national standing; (2) as soon as available, but in any event within 60 days after the end of each of the Borrower's first three fiscal quarterly periods of each fiscal year, a consolidated balance sheet of the Borrower as at the last day of such quarter and consolidated statements of operations for such quarter, and for the then current fiscal year through the end of such quarter, and a consolidated statement of cash flow of the Borrower for the then current fiscal year through the end of such quarter, prepared in accordance with GAAP (except for omission of notes and subject to year-end adjustments); (3) at the same time as it delivers the financial statements required under the provisions of clause (1) above, a certificate signed by the chief financial officer or the chief executive officer of the Borrower to the effect that such officer has made due inquiry and that to the best of the knowledge of such officer except as stated therein no Default or Event of Default has occurred hereunder and that such officer has made due inquiry and that to the best of the knowledge of such officer except as stated therein no default has occurred under any other agreement to which the Borrower is a party or by which it is bound, or by which any of its properties or assets may be affected, which could have a material adverse effect on the business or operations of the Borrower and specifying in reasonable detail the exceptions, if any, to such statements; (4) at the same time as it delivers the financial statements required under the provisions of clauses (1) and (2) above, a statement of a financial officer of the Borrower showing the Leverage Ratio and Consolidated Net Worth as of the last day of the fiscal period to which such financial statements relate; (5) at the same time as it delivers the financial statements required under the provisions of clause (2) above, a certificate signed by a financial officer of the Borrower and stating that such officer has made due inquiry and that to the best of his knowledge no Default has occurred and is continuing, or, if such Default has occurred and is continuing, specifying the nature and extent thereof; and (6) forthwith upon the occurrence of any Default or Event of Default, a certificate of the chief financial officer or the chief executive officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(ii) keep proper books of record and accounts in which full, true and correct entries in accordance with GAAP shall be made of all dealings or transactions in relation to its business and activities;

(iii) furnish with reasonable promptness such other financial information as any Lender may reasonably request, provided that the Borrower shall not be required to furnish any information that would result in violation of any confidentiality agreement by which it is bound but, at the request of a Lender, shall use its reasonable best efforts to obtain a waiver of such agreement to permit furnishing of such information under this provision;

(iv) promptly after the same are available, copies of all current reports on Form 8-K, quarterly reports on Form 10-Q, annual reports on Form 10-K (or similar corresponding reports) and registration statements or statements which the Borrower or any Restricted Subsidiary may be required to file with the Securities and Exchange

Commission (excluding registration statements filed pursuant to employee stock option or benefit plans); and

(v) furnish to the Administrative Agent, as soon as reasonably practicable after receipt by the Borrower or any Subsidiary, a copy of any written notice or claim to the effect that the Borrower or any Subsidiary is liable to any Person as a result of the presence or release of any Contaminant which claim could reasonably be expected to have a material adverse effect on the Borrower and its Restricted Subsidiaries, considered as a whole.

ARTICLE VII. EVENTS OF DEFAULT

If any of the following events (hereinafter called "Events of Default") shall occur and shall be continuing:

(i) the Borrower shall fail to pay an installment of principal of, or interest on, any Note or any Fee when due and, in the case of any such interest payment or any Fee, such failure shall remain unremedied for three Business Days;

(ii) any representation or warranty made by the Borrower herein or by the Borrower in connection with this Agreement shall prove to have been incorrect in any material respect when made;

(iii) the Borrower fails to observe any of the provisions of Sections 6.02(i) through (viii) inclusive and, in the case of the provisions of Sections 6.02(i), (iii), (iv), (v), (vii) and (viii), any such failure remains unremedied for 30 days after receipt by the Borrower of written notice thereof from the Administrative Agent or any Lender;

(iv) the Borrower shall fail to perform or observe any other term, covenant or agreement (other than those referred to in clauses (i), (ii) and (iii) above) contained in this Agreement and such failure remains unremedied for 30 days after receipt by the Borrower of written notice thereof from the Administrative Agent or any Lender; provided, however, that with respect to any term, covenant or agreement contained in Section 6.03(ii) or 6.03(iii), such 30-day period during which any such failure may be remedied shall only be available once during each consecutive 12-month period with respect to such term, covenant or agreement;

(v) (a) the Borrower or any Restricted Subsidiary shall default in the payment when due, after giving effect to any grace period permitted from time to time, of any Debt for borrowed money heretofore or hereafter issued, assumed, guaranteed, contracted or incurred by it, and the aggregate amount of such default equals or exceeds $10,000,000 (or equivalent), or (b) there shall be any default under any agreement or instrument under or by which any such Debt is created, evidenced or secured, if the effect of such default pursuant to this clause (b) is to cause, or to permit the holder or holders of such Debt (or a trustee on its or their behalf) to cause, and such holder or holders or trustee does cause, such Debt to become due prior to its stated maturity, and the aggregate amount of the Debt the maturity of which is so accelerated pursuant to clause (b) equals or exceeds $10,000,000 (or equivalent);

(vi) the Borrower or any Major Subsidiary shall (a) apply for or consent to the appointment of a receiver, trustee or liquidator of the Borrower or such Major Subsidiary or of all or a substantial part of its assets, (b) be unable, or admit in writing its inability, to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent or (e) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against the Borrower or such Major Subsidiary in any bankruptcy, reorganization or insolvency proceeding or corporate action shall be taken by the Borrower or any Major Subsidiary for the purpose of effecting any of the foregoing or an order for relief under the Federal Bankruptcy Code shall have been entered in

respect of the Borrower or any Major Subsidiary;

(vii) without the application, approval or consent of the Borrower or a Major Subsidiary, as the case may be, a proceeding shall be instituted, in any court of competent jurisdiction, seeking in respect of the Borrower or such Major Subsidiary: adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a receiver, custodian, liquidator or the like of the Borrower or such Major Subsidiary or of all or any substantial part of its assets, or other like relief in respect of the Borrower or such Major Subsidiary if such proceeding is being contested by the Borrower or such Major Subsidiary in good faith, the same shall continue unstayed and in effect for any period of 60 consecutive days;

(viii) a final and unappealable judgment for the payment of money shall be rendered by a court of record against the Borrower or any Restricted Subsidiary in an amount in excess of $10,000,000 and the Borrower or such Restricted Subsidiary, as the case may be, shall not discharge the same or provide for its discharge in accordance with its terms or procure a stay of execution thereof within 60 days after the date of entry thereof;

(ix) a Reportable Event shall have occurred with respect to any Plan of the Borrower, or any Restricted Subsidiary of the Borrower and, within 30 days after the reporting of such Reportable Event to the Lenders, the Required Lenders (or the Administrative Agent at the request of the Required Lenders) shall have notified the Borrower in writing that a good faith determination has been made by the Required Lenders that such Reportable Event is likely to have a material adverse effect on the consolidated financial condition or results of operations of the Borrower and its consolidated Restricted Subsidiaries; or

(x) (a) any Plan terminates under circumstances that would reasonably result in a material liability of the Borrower or any ERISA Affiliate to the PBGC; (b) an "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived, exists with respect to any Plan(s) in an amount which is material; (c) the Borrower, any of its Subsidiaries or any Plan engages in a "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) that would reasonably result in any material liability of the Borrower or any of its Subsidiaries and that is not cured within 90 days of the date Borrower knows or has reason to know of such prohibited transaction; (d) the Borrower or any ERISA Affiliate (other than one considered an ERISA Affiliate only by reason of subsection (m) or (o) of Section 414 of the Code) fails to make any contribution to a Multiemployer Plan which is required by ERISA or an applicable collective bargaining agreement in an amount which is material (except to the extent there is a good faith dispute as to whether any contribution is owed, the amount owed or the existence of facts that would give rise to a withdrawal); or (e) the Borrower or any ERISA Affiliate (other than one considered an ERISA Affiliate only by reason of subsection (m) or (o) of Section 414 of the Code) completely or partially withdraws from a Multiemployer Plan, if such complete or partial withdrawal will result in any withdrawal liability under Title IV of ERISA which is material (for purposes of this clause (x), (A) an amount is material if it would have a material adverse effect on the consolidated financial condition or results of operations of the Borrower and its consolidated Subsidiaries, and the materiality of any amount described in this clause (x) shall be determined after aggregation with all other liabilities described in this clause (x) and (B) materiality shall be determined in the reasonable judgment of the Required Lenders);

then, and in every such event (other than an event with respect to the Borrower described in paragraph (vi) or (vii) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (x) terminate

forthwith the Commitments and (y) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to the Borrower described in paragraph (vi) or (vii) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII. THE AGENTS

SECTION 8.01. Appointment. Each Lender hereby appoints Chemical Bank, Credit Suisse and Morgan Guaranty Trust Company of New York as the Co-Agents of such Lender under this Agreement and acknowledges that (i) no Co-Agent, in its capacity as such, shall have any duties under the Loan Documents and (ii) the Administrative Agent, in its capacity as such, shall have no duties under the Loan Documents other than those specifically provided in the Loan Documents. Each Lender hereby appoints Credit Suisse as Administrative Agent hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the agent of such Lender. Each Agent agrees to act as such upon the express conditions contained in this Article VIII. The Agents shall not have a fiduciary relationship in respect of any Lender by reason of this Agreement.

SECTION 8.02. Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto. No Agent shall have any implied duties to the Lenders or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by such Agent.

SECTION 8.03. General Immunity. Neither the Agents nor any of their directors, officers, agents or employees shall be liable to the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except for its or their own gross negligence or wilful misconduct.

SECTION 8.04. No Responsibility for Loans, Recitals, etc. Neither the Agents nor any of their directors, officers, agents or employees shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document; (iii) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith.

SECTION 8.05. Action on Instructions of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders, except for those cases which (i) pursuant to Section 10.01 of this Agreement require approval by all the Lenders or all the affected Lenders and (ii) involve gross negligence or wilful misconduct on the part of the Administrative Agent, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all holders of Notes.

SECTION 8.06. Employment of Administrative Agent and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder and under any other Loan Document.

SECTION 8.07. Reliance on Documents; Counsel. Each Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by such Agent, which counsel may be employees of such Agent; provided, however, that if such counsel is an employee of such Agent such counsel shall be required to act in good faith and render advice as if such counsel was not an employee of such Agent.

SECTION 8.08. Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify each Agent ratably in proportion to the Lenders' respective Commitments (i) for any amounts not reimbursed by the Borrower for which such Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by such Agent on behalf of the Lenders in connection with the enforcement of the Loan Documents and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or wilful misconduct of such Agent.

SECTION 8.09. Rights as a Lender. With respect to its Commitments, Loans made by it and the Notes issued to it, each Agent shall have the same rights, obligations and powers hereunder and under any other Loan Document as any Lender and may exercise the same as though it was not an Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include such Agent in its individual capacity. Each Agent may accept deposits from, lend money to, and generally engage in any kind of banking or trust business with the Borrower or any of its Subsidiaries as if it was not an Agent.

SECTION 8.10. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

SECTION 8.11. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, and the Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint from among the other Lenders, with the prior written consent of the Borrower (which shall not be unreasonably withheld), on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative

Agent may appoint from among the other Lenders, with the prior written consent of the Borrower (which shall not be unreasonably withheld), on behalf of the Borrower and the Lenders, a successor Administrative Agent. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall thereafter be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article VIII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents.

ARTICLE IX. BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

SECTION 9.01. Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, the Agents and the Lenders and their respective successors and assigns, except that neither the Borrower nor any Agent shall have the right to assign its rights or obligations under the Loan Documents and any assignment by any Lender must be made in compliance with Section 9.03. Any attempted assignment in violation of this Section 9.01 shall be void. The Administrative Agent and the Borrower may treat the payee of any Note as the owner thereof for all purposes hereof unless and until such payee complies with Section 9.03 in the case of an assignment thereof or, in the case of any transfer pursuant to Section 9.06, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of a Note agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the holder of any Note, shall be conclusive and binding on any subsequent holder, transferee or assignee of such Note or of any Note or Notes issued in exchange therefor, regardless of whether any such Note shall have been marked to make reference thereto.

SECTION 9.02. Participations. (a) Any Lender may, in the ordinary course of its commercial lending business and in accordance with applicable law, at any time sell to one or more Institutional Lenders ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender under the Loan Documents; provided, however, that the Lender shall, upon request of the Borrower, provide the Borrower with the identities of all such Participants and the amounts of their participations. Any attempted sale of any such interest in violation of this Section 9.02 shall be void. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the holder of any such Note for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

(b) Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan or Commitment in which such Participant has an interest which (i) forgives principal, interest or fees or reduces the interest rate or fees payable with respect to any such Loan or Commitment, (ii) postpones any date fixed for any regularly-scheduled payment of principal of, or interest or fees on, any such Loan or Commitment, (iii) increases any such Commitment, or (iv) extends the Maturity Date.

(c) The Borrower agrees that each Participant shall be

deemed to have the right of setoff provided in Section 2.14 in respect of its participating interest in amounts owing under the Loan Documents up to, but not exceeding, the amount of its participating interest and to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, provided that each Lender shall also have the right of setoff provided in Section 2.14 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and Lenders selling participations agree to cause participation agreements to provide that Participants, by exercising the right of setoff provided in Section 2.14, agree to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 2.14 as if each Participant were a Lender.

SECTION 9.03. Assignments. (a) Any Lender may, in the ordinary course of its commercial lending business and in accordance with applicable law, at any time assign to one or more Institutional Lenders ("Purchasers") all or any part of its rights and obligations under the Loan Documents; provided, however, that (i) except in the case of an assignment to a Lender or an Affiliate of the assigning Lender (other than if at the time of such assignment, such Lender or Affiliate would be entitled to require the Borrower to pay, or the Borrower would be required to pay, greater amounts under Section 2.16 or 3.01 than if no such assignment had occurred, in which case such assignment shall be subject to the consent requirement of this clause (i)), the Borrower must give its prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) such assignment shall be in substantially the form of Exhibit B, (iii) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement, (iv) the amount of the Commitments of the assigning Lender subject to each such assignment (determined as of the date the Notice of Assignment with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 and the amount of the Commitments of such Lender remaining after such assignment shall not be less than $10,000,000 or shall be zero and (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent a Notice of Assignment, together with the Note or Notes subject to such assignment.

(b) Upon (i) delivery to the Administrative Agent of a Notice of Assignment, the Note or Notes subject to such assignment and any consents required by Section 9.03(a), and (ii) payment by the assigning Lender or the Purchaser of a $2,500 fee to the Administrative Agent for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Agents shall be required to release the transferor Lender with respect to the percentage of the Commitments and Loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 9.03, the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their Commitments, as adjusted pursuant to such assignment.

SECTION 9.04. Dissemination of Information; Confidentiality. (a) The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee (which, in the case of a prospective Participant or Purchaser, shall be an Institutional Lender) any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; provided, however, that prior to any such disclosure to a proposed Transferee such proposed Transferee shall agree in writing to be bound by the terms of this Section 9.04.

(b) Each Lender and Transferee that receives information concerning the Borrower, any of its Affiliates, their businesses or the transactions contemplated by the Loan Documents, which is not publicly available ("Proprietary Information") will be bound to treat such Proprietary Information in a confidential manner and to use such Proprietary Information only for the purpose of evaluating and monitoring the creditworthiness of the Borrower and its Subsidiaries in connection with such Lender's or such Transferee's extensions of credit pursuant to this Agreement, or as otherwise may be required by law, regulation or court order; provided, that if any Lender or Transferee shall be required to disclose any Proprietary Information by a court order or other legal process reasonably believed by such Lender or Transferee (upon the advice of legal counsel) to compel disclosure (i) such Lender or Transferee shall, unless prohibited by applicable law, applicable regulation or the terms of the applicable court order, communicate such fact to the Administrative Agent and the Administrative Agent shall communicate such fact to the Borrower and (ii) such Lender or Transferee shall disclose only such Proprietary Information which it is required to disclose; provided further, that any Lender or Transferee may disclose such information which it is requested to disclose or is advised by counsel to disclose to an auditor or examiner if it has advised such auditor or examiner that such information is confidential; provided further that any Lender or Transferee may disclose Proprietary Information (i) to Affiliates of such Lender or Transferee provided that such Affiliates agree to keep the Proprietary Information confidential as set forth herein, (ii) with the written consent of the Borrower, (iii) in connection with any litigation involving the Borrower and such Lender or Transferee, (iv) to accountants, independent auditors, legal counsel, officers, directors, agents and employees of such Lender or Transferee if it advises such Persons that such information is confidential, (v) if such Proprietary Information was in the possession of such Lender or Transferee on a non-confidential basis prior to the Borrower furnishing it to such Lender or Transferee, or (vi) if such Proprietary Information is received by such Lender or Transferee, without restriction as to its disclosure or use, from a Person who, to such Lender's or Transferee's knowledge or reasonable belief, was not prohibited from disclosing it by any duty of confidentiality.

SECTION 9.05. Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 2.16.

SECTION 9.06. Assignments to the Federal Reserve. Notwithstanding anything else contained in this Agreement, each Lender reserves the right to assign its Note or any of its rights under this Agreement to any Federal Reserve Bank. No such assignment shall release the assigning Lender from its obligations hereunder.

ARTICLE X. GENERAL PROVISIONS

SECTION 10.01. Amendments. The Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights or obligations of the Lenders or the Borrower hereunder or waiving any Default or Event of Default hereunder; provided, however, that no such supplemental agreement shall:

(i) Extend the maturity of any Loan or Note or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest, or waive or excuse any such payment or any part thereof, without the consent of each holder of a Note affected thereby.

(ii) Change the definition of Required Lenders without the consent of each Lender.

(iii) Extend or increase the Commitment or decrease the Commitment Fees or Utilization Fees of any Lender hereunder without the consent of such Lender.

(iv) Amend this Section 10.01 or Section 2.13 without the consent of each Lender.

(v) If the Loans become, and must continue to be, secured pursuant to Section 6.02(i) or (ii), release more than the lesser of (x) $10,000,000 and (y) 50% of the collateral in respect thereof (based upon its fair market value), without the consent of each Lender.

No amendment of any provision of this Agreement relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent. The Administrative Agent may waive payment of the fee required under Section 9.03(b) without obtaining the consent of any of the Lenders.

SECTION 10.02. Preservation of Rights. No delay or omission of the Lenders or the Administrative Agent in exercising any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 10.01, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lenders until all amounts due under the Loan Documents have been paid in full.

SECTION 10.03. Survival. The obligations of the Borrower under Sections 2.16, 3.01, 3.05, and 10.07 shall survive the repayment of the Loans and termination of the Commitments.

SECTION 10.04. Headings. Section headings in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Agreement.

SECTION 10.05. Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Co-Agents, the Administrative Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Co-Agents, the Administrative Agent and the Lenders relating to the subject matter thereof.

SECTION 10.06. Several Obligations. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns and, in the case of Section 10.07, the Indemnitees referred to therein.

SECTION 10.07. Expenses; Indemnification. (a) Each party to this Agreement agrees to pay all its own fees and expenses in connection with the Loan Documents and any amendment, modification or waiver of the terms thereof; provided, however, that the Borrower agrees to pay (i) the reasonable disbursements and up to $20,000 in respect of the reasonable fees of Sullivan & Worcester, counsel for the Lenders, in connection with the negotiation, execution and delivery of the Loan Documents; (ii) the reasonable out-of-pocket expenses of the Agents and the Lenders (including the reasonable fees and disbursements of one counsel representing the Agents and Lenders) in connection with any amendment, modification or waiver of the terms of any Loan Document, and (iii) all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) of the Agents and each Lender in connection with the enforcement of the Loan Documents.

(b) In consideration of the execution and delivery of

this Agreement by each Lender and the extension of the Commitments, the Borrower hereby indemnifies, exonerates and holds the Agents and each Lender and each of their respective officers, directors, employees and agents (each an "Indemnitee") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses (irrespective of whether such Indemnitee is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by the Indemnitees or any of them as a result of, or arising out of, or relating to:

(i) the use of any of the proceeds of the Borrowings by the Borrower for any purpose;

(ii) the syndication of this Agreement by the Co-Agents to the Lenders;

(iii) the making of any claim by an investment banking firm, broker or third party engaged by the Borrower that it is entitled to compensation from any Agent or any of the Indemnitees in connection with this Agreement;

(iv) the entering into and performance of this Agreement and any other Loan Document by any of the Indemnitees;

(v) the release of any Contaminant, in, under or on any property in violation of any Environmental Law for which the Borrower or any Subsidiary has any liability or which occurs upon any real estate at any time owned, leased or operated, as defined in any Environmental Law, by the Borrower or any Subsidiary in violation of any Environmental Law and which release is not caused by an act or omission of any Indemnitees, or the imposition of any Environmental Encumbrance (other than an Environmental Encumbrance that is being contested in good faith by appropriate proceedings and for which appropriate reserves have been made to the extent required by GAAP); or

(vi) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto;

except for any such Indemnified Liabilities arising for the account of a particular Indemnitee by reason of the relevant Indemnitee's gross negligence or wilful misconduct as determined by a final and nonappealable decision of a court of competent jurisdiction. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. The foregoing indemnity shall become effective immediately upon the execution and delivery hereof and shall remain operative and in full force and effect notwithstanding the consummation of the transactions contemplated hereunder, the repayment of any of the Loans made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, any investigation made by or on behalf of any Lender, any Agent or the Borrower, or the content or accuracy of any representation, warranty or statement made by the Borrower or any other Person.

SECTION 10.08. Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Lenders.

SECTION 10.09. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

SECTION 10.10. Nonliability of Lenders. The relationship between the Borrower and the Lenders and the Agents shall be solely that of borrower and lender. Neither any Agent nor any Lender shall have any fiduciary responsibilities to the

Borrower. Neither any Agent nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

SECTION 10.11. CHOICE OF LAW. THE LOAN DOCUMENTS SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 10.12. CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK CITY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF ANY AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 10.13. WAIVER OF JURY TRIAL. THE BORROWER, EACH AGENT AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

SECTION 10.14. Notices. Except as expressly provided otherwise in Article II, notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 100 First Stamford Place, P.O. Box 120070, Stamford, Connecticut 06912-0070, Attention of Vice President--Corporate Finance and Treasurer (Telecopy No. 203-978-5315);

(b) if to the Administrative Agent, to it at Tower 49, 12 East 49th Street, New York, New York 10017, Attention of Barry Zamore (Telecopy No. 212-238-5073; and

(c) if to a Lender, to it at its address (or telecopy number) set forth in Schedule 2.01 or in the Notice of Assignment delivered when such Lender shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy, or on the date five Business Days after dispatch by certified or registered mail, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 10.14 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 10.14.

SECTION 10.15. Binding Effect; Counterparts. (a) This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have received copies hereof which, when taken together, bear the signatures of each Co-Agent and each Lender. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in this Section 10.15.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

THE PITTSTON COMPANY,

by

James B. Hartough

Title: Vice President--
Corporate Finance and
Treasurer

Account for Deposit
of Money Market Loans:
The Chase Manhattan Bank
(National Association),
New York, New York
Account No.: 910-4-010609

CREDIT SUISSE, as a Co-Agent, the Administration Agent and as a Lender,

by

Robert C. Rubino

Title: Associate

Jeurg Johner

Title: Associate

CHEMICAL BANK, as a Co-Agent and a Lender,

by
Peter Eckstein
_____
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Co-Agent and a Lender,

by
Diana H. Imhof
_____
Title: Associate

BANK OF MONTREAL,

by
Brian C. Savage
_____
Title: Director, Mining and Metals

THE BANK OF NOVA SCOTIA,

by
Terry K. Fryett
_____
Title: Vice President

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION),

by
Alexander S. Rapetski II
_____
Title: Vice President

FLEET BANK, N.A.,

by
Quay B. McKeough
_____
Title: Vice President

J.P. MORGAN DELAWARE,

by
David J. Morris
_____
Title: Vice President

THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED, NEW YORK BRANCH,

by
Noboru Kubota
_____
Title: Deputy General Manager

MELLON BANK, N.A.,

by
Andrew Mellgard
_____
Title: Assistant Vice President

NATIONAL WESTMINSTER BANK PLC,

by

Ian M. Plester
_____
Title: Vice President

NATIONSBANK OF GEORGIA, N.A.,

by
Moses James Sawney
_____
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,

by
Dale A. Stein
_____
Title: Vice President

SHAWMUT BANK, N.A.,

by
Kerry Day
_____
Title: Corporate Banking Officer

TORONTO DOMINION (NEW YORK), INC.,

by
Martin T. Snyder
_____
Title: Director-Corporate Finance

EXHIBIT A-1

[FORM OF]

REVOLVING CREDIT NOTE

$_____ New York, New York
_____, 1994

FOR VALUE RECEIVED, the undersigned, THE PITTSTON COMPANY, a Virginia corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Lender") (i) on the last day of each Interest Period, as defined in the Credit Agreement dated as of March 4, 1994 (as amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto, the Co-Agents party thereto and the Administrative Agent, the aggregate unpaid principal amount of all Revolving Loans (as defined in the Credit Agreement) made to the Borrower by the Lender pursuant to the Credit Agreement to which such Interest Period applies and (ii) on the Maturity Date (as defined in the Credit Agreement) the lesser of the principal sum of _____ Dollars ($_____) and the aggregate unpaid principal amount of all Revolving Loans made to the Borrower by the Lender pursuant to the Credit Agreement, in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount hereof from time to time outstanding, in like funds, at the rate or rates per annum and payable on the dates provided in the Credit Agreement. Payments in respect of Money Market Loans shall be made at the Applicable Lending Office of the Lender provided in the Credit Agreement, and payments in respect of Standby Loans shall be made at the office of Credit Suisse (the "Administrative Agent") at One Liberty Plaza, 165 Broadway, New York, New York 10006.

The Borrower promises to pay interest, on demand, on any overdue principal from their due dates at the rate or rates provided in the Credit Agreement.

The Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever. The nonexercise by the holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates and maturity dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; provided, however, that the failure of the holder hereof to make such a notation or any error in such a notation shall not affect the obligations of the Borrower under this Note.

This Note is one of the Revolving Credit Notes referred to in the Credit Agreement, which, among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for optional and mandatory prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Credit Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

THE PITTSTON COMPANY,

by

_____
Name:
Title:

Loans and Payments

Date	Amount and type of Loan	Maturity Date	Payments Principal	Payments Interest	Unpaid Principal Balance of Note	Name of Person Making Notation

EXHIBIT A-2

[FORM OF]

TERM NOTE

$_____ New York, New York
_____, 1994

FOR VALUE RECEIVED, the undersigned THE PITTSTON COMPANY, a Virginia corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Lender"), at the office of Credit Suisse (the "Administrative Agent"), at One Liberty Plaza, 165 Broadway, New York, New York 10006, on the Maturity Date, as defined in the Credit Agreement dated as of March 4, 1994 (as amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto, the Co-Agents party thereto and the Administrative Agent, the aggregate unpaid principal amount of all Term Loans (as defined in the Credit Agreement) made to the Borrower by the Lender pursuant to the Credit Agreement in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount hereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on the dates provided in the Credit Agreement.

The Borrower promises to pay interest, on demand, on any overdue principal from their due dates at the rate or rates provided in the Credit Agreement.

The Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever. The nonexercise by the holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; provided, however, that the failure of the holder hereof to make such a notation or any error in such notation shall not affect the obligations of the Borrower under this Note.

This Note is one of the Term Notes referred to in the Credit Agreement, which, among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for optional and mandatory prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Credit Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

THE PITTSTON COMPANY,

by

_____
Name:
Title:

Loans and Payments

Date	Amount and type of Loan	Maturity Date	Payments Principal	Payments Interest	Unpaid Principal Balance of Note	Name of Person Making Notation

EXHIBIT B

FORM OF

ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Assignment Agreement") between (the "Assignor") and (the "Assignee") is dated as of , 19 . The parties hereto agree as follows:

1. PRELIMINARY STATEMENT. The Assignor is a party to the Credit Agreement, dated as of March 4, 1994, (as amended, modified, extended or restated from time to time, the "Credit Agreement"), among The Pittston Company (the "Borrower"), the Lenders party thereto, the Co-Agents party thereto and Credit Suisse, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement. The Assignor desires to assign to the Assignee, and the Assignee desires to assume from the Assignor, a __% undivided interest (the "Purchased Percentage") in the Commitments and Loans (if applicable) of the Assignor such that after giving effect to the assignment and assumption hereinafter provided (i) the Revolving Credit Commitment of the Assignee shall equal $ and its percentage of the Total Revolving Credit Commitment shall equal % and (ii) the Assignee's percentage of the outstanding Term Loans shall equal ___%.

2. ASSIGNMENT. For and in consideration of the assumption of obligations by the Assignee set forth in Section 3 hereof and the other consideration set forth herein, and effective as of the Effective Date (as hereinafter defined), the Assignor does hereby sell, assign, transfer and convey all of its right, title and interest in and to the Purchased Percentage of (i) the Commitments of the Assignor (as in effect on the Effective Date), (ii) any Loans of the Assignor outstanding on the Effective Date, (iii) the Credit Agreement and the other Loan Documents and (iv) any fees accruing after the Effective Date. Pursuant to Section 9.03(b) of the Credit Agreement, on and after the Effective Date the Assignee shall have the same rights, benefits and obligations as the Assignor had under the Loan Documents with respect to the Purchased Percentage of the Loan Documents, all determined as if the Assignee were a "Lender" under the Credit Agreement with % of the Total Revolving Credit Commitment and ___% of the outstanding Term Loans. The Effective Date shall be the later of or two Business Days (or such shorter period agreed to by the Administrative Agent) after a Notice of Assignment substantially in the form of Annex I attached hereto and any consents required to be delivered to the Administrative Agent by Section 9.03(a) of the Credit Agreement have been delivered to the Administrative Agent. In no event will the Effective Date occur if the payments required to be made by the Assignee to the Assignor on the Effective Date under Sections 4 and 5 hereof are not made on the proposed Effective Date. The Assignor will notify the Assignee of the proposed Effective Date on the Business Day prior to the proposed Effective Date.

3. ASSUMPTION. For and in consideration of the assignment of rights by the Assignor set forth in Section 2 hereof and the other consideration set forth herein, and effective as of the Effective Date, the Assignee does hereby accept that assignment, and assume and covenant and agree fully, completely and timely to perform, comply with and discharge, each and all of the obligations, duties and liabilities of the Assignor under the Credit Agreement which are assigned to the Assignee hereunder, which assumption includes, without limitation, the obligation to fund the unfunded portion of the Total Revolving Credit Commitment in accordance with the provisions set forth in the Credit Agreement as if the Assignee were a "Lender" under the Credit Agreement with % of the Total Revolving Credit Commitment. The Assignee agrees to be bound by all provisions relating to "Lenders" under and as defined in the Credit Agreement, including, without limitation, provisions relating to the dissemination of information and the payment of indemnification.

4. PAYMENTS OBLIGATIONS. On and after the Effective

Date, the Assignee shall be entitled to receive from the Administrative Agent all payments of principal, interest and fees with respect to the Purchased Percentage of the Assignor's Revolving Credit Commitment and Loans. The Assignee shall advance funds directly to the Administrative Agent with respect to all Loans and reimbursement payments made on or after the Effective Date. In consideration for the sale and assignment of Loans hereunder, (i) with respect to all Base Rate Loans made by the Assignor outstanding on the Effective Date, the Assignee shall pay the Assignor, on the Effective Date, an amount equal to the Purchased Percentage of all such Base Rate Loans; and (ii) with respect to each Fixed Rate Loan made by the Assignor outstanding on the Effective Date, (a) on the last day of the Interest Period therefor or (b) on such earlier date agreed to by the Assignor and the Assignee or (c) on the date on which any such Fixed Rate Loan either becomes due (by acceleration or otherwise) or is prepaid (the date as described in the foregoing clauses (a), (b) or (c) being hereinafter referred to as the "Payment Date"), the Assignee shall pay the Assignor an amount equal to the Purchased Percentage of such Fixed Rate Loan. On and after the Effective Date, the Assignee will also remit to the Assignor any amounts of interest on Loans and fees received from the Administrative Agent which relate to the Purchased Percentage of Loans made by the Assignor accrued for periods prior to the Effective Date, in the case of Base Rate Loans, or the Payment Date, in the case of Eurodollar Loans, and not heretofore paid by the Assignee to the Assignor. In the event interest for the period from the Effective Date to but not including the Payment Date is not paid by the Borrower with respect to any Eurodollar Loan sold by the Assignor to the Assignee hereunder, the Assignee shall pay to the Assignor interest for such period on such Fixed Rate Loan at the applicable rate provided by the Credit Agreement. In the event that either party hereto receives any payment to which the other party hereto is entitled under this Assignment Agreement, then the party receiving such amount shall promptly remit it to the other party hereto.

5. FEES PAYABLE BY ASSIGNEE. The Assignee agrees to pay the Administrative Agent a fee of $2,500 pursuant to Section 9.03(b) of the Credit Agreement.

6. CREDIT DETERMINATION; LIMITATIONS ON ASSIGNOR'S LIABILITY. The Assignee represents and warrants to the Assignor that it is capable of making and has made and shall continue to make its own credit determinations and analysis based upon such information as the Assignee deemed sufficient to enter into the transaction contemplated hereby and not based on any statements or representations by the Assignor. It is understood and agreed that the assignment and assumption hereunder are made without recourse to the Assignor and that the Assignor makes no representation or warranty of any kind to the Assignee and shall not be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the Credit Agreement or any other Loan Document, including without limitation, documents (if any) granting the Assignor and the other Lenders a security interest in assets of the Borrower, (ii) any representation, warranty or statement made in or in connection with any of the Loan Documents, (iii) the financial condition or creditworthiness of the Borrower or any of its Subsidiaries, (iv) the performance of or compliance with any of the terms or provisions of any of the Loan Documents, (v) inspecting any of the property, books or records of the Borrower or (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans. Neither the Assignor nor any of its officers, directors, employees, agents or attorneys shall be liable for any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans or the Loan Documents, except for its or their own bad faith or wilful misconduct.

7. INDEMNITY. The Assignee agrees to indemnify and hold the Assignor harmless against any and all losses, costs and expenses (including, without limitation, reasonable attorneys' fees) and liabilities incurred by the Assignor in connection with or arising in any manner from the Assignee's performance or non-performance of obligations assumed under this Assignment Agreement.

8. SUBSEQUENT ASSIGNMENTS. After the Effective Date, the Assignee shall have the right to make subsequent assignments

in accordance with Section 9.03 of the Credit Agreement.

9. REDUCTIONS OF TOTAL REVOLVING CREDIT COMMITMENT. If any reduction in the Total Revolving Credit Commitment occurs between the date of this Assignment Agreement and the Effective Date, the percentage of the Total Revolving Credit Commitment assigned to the Assignee shall remain the percentage specified in Section 1 hereof and the dollar amount of the Revolving Credit Commitment of the Assignee shall be recalculated based on the reduced Total Revolving Credit Commitment.

10. ENTIRE AGREEMENT. This Assignment Agreement and the attached consent embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

11. GOVERNING LAW. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAW OF THE STATE OF NEW YORK.

12. NOTICES. Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto (until notice of a change is delivered) shall be the address set forth under each party's name on the signature pages hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

[NAME OF ASSIGNOR]

By:
Name:
Title:
Address:

[NAME OF ASSIGNEE]

By:
Name:
Title:
Address:

ANNEX I
TO ASSIGNMENT AGREEMENT

FORM OF

NOTICE OF ASSIGNMENT

To: THE PITTSTON COMPANY
100 First Stamford Place
P.O. Box 120070
Stamford, Connecticut 06912-0070

CREDIT SUISSE
Tower 49
12 East 49th Street
New York, New York 10017

From: [NAME OF ASSIGNOR]

[NAME OF ASSIGNEE]

, 19

1. We refer to that Credit Agreement dated as of March 4, 1994 (as amended, modified, extended or restated from time to time, the "Credit Agreement") among The Pittston Company (the "Borrower"), the Lenders party thereto (each a "Lender"), including (the "Assignor"), the Co-Agents party thereto and Credit Suisse as Administrative Agent. Capitalized terms used herein and in any consent delivered in connection herewith and not otherwise defined herein or in such consent shall have the meanings attributed to them in the Credit Agreement.

2. This Notice of Assignment (this "Notice") is given and delivered to the Borrower and the Administrative Agent pursuant to Section 9.03 of the Credit Agreement.

3. The Assignor and (the "Assignee") have entered into an Assignment Agreement, dated as of , 19 , in the form required by the Credit Agreement, pursuant to which, among other things, the Assignor has sold, assigned, delegated and transferred to the Assignee, and the Assignee has purchased, accepted and assumed from the Assignor, a ___% undivided interest in and to all of the Assignor's rights and obligations under the Credit Agreement (including, without limitation, all Loans made by the Assignor and outstanding on the Effective Date) such that Assignee's percentage of the Total Revolving Credit Commitment shall equal % and its percentage of the outstanding Term Loans shall equal ___%, in each case effective as of the "Effective Date" (as hereinafter defined). The "Effective Date" shall be the later of , 19 or two Business Days (or such shorter period as agreed to by the Administrative Agent) after this Notice of Assignment and any consents and fees required by Section 9.03 of the Credit Agreement have been delivered to the Administrative Agent, provided that the Effective Date shall not occur if any condition precedent agreed to by the Assignor and the Assignee has not been satisfied.

4. As of this date, the percentage of the Assignor in the Total Revolving Credit Commitment is %. As of the Effective Date, the percentage of the Assignor in the Total Revolving Credit Commitment will be % (as such percentage may be reduced or increased by assignments which become effective prior to the assignment to the Assignee becoming effective) and the percentage of the Assignee in the Total Revolving Credit Commitment will be %.

5. The Assignor and the Assignee hereby give to the Borrower and the Administrative Agent notice of the assignment and delegation referred to herein. The Assignor will confer with the Administrative Agent before , 19 to determine if the Assignment Agreement will become

effective on such date pursuant to Section 3 hereof, and will confer with the Administrative Agent to determine the Effective Date pursuant to Section 3 hereof if it occurs thereafter. The Assignor shall notify the Administrative Agent if the Assignment Agreement does not become effective on any proposed Effective Date as a result of the failure to satisfy the conditions precedent agreed to by the Assignor and the Assignee. At the request of the Administrative Agent, the Assignor will give the Administrative Agent written confirmation of the occurrence of the Effective Date.

6. The Assignee hereby accepts and assumes the assignment and delegation referred to herein and agrees as of the Effective Date (i) to perform fully all of the obligations under the Credit Agreement which it has hereby assumed and (ii) to be bound by the terms and conditions of the Credit Agreement as if it were a "Lender".

7. The Assignor and the Assignee request and agree that any payments to be made by the Administrative Agent to the Assignor on and after the Effective Date shall, to the extent of the assignment referred to herein, be made entirely to the Assignee, it being understood that the Assignor and the Assignee shall make between themselves any desired allocations.

8. The Assignee shall pay to the Administrative Agent on or before the Effective Date the processing fee of $2,500 required by Section 9.03 of the Credit Agreement.

9. The Assignor and the Assignee request and direct that the Administrative Agent prepare and cause the Borrower to execute and deliver replacements notes to the Assignor and the Assignee in accordance with Section 9.03 of the Credit Agreement. The Assignor agrees to deliver to the Administrative Agent the original Notes received by it from the Borrower upon the Assignee's receipt of replacement Notes in the appropriate amounts.

10. The Assignee advises the Administrative Agent that the address listed below is its address for notices under the Credit Agreement:

_____
_____
_____

ASSIGNOR	ASSIGNEE
By: _____	By: _____
Name:	Name:
Title:	Title:

EXHIBIT C-1

(Letterhead of Austin F. Reed, Esq.,
Vice President-Law and
Secretary of
The Pittston Company]

[Date]

To each of the lenders (the "Lenders")
listed on Annex A hereto that are
parties to the Credit Agreement dated as
of March 4, 1994 (the "Credit
Agreement"), among The Pittston Company,
such Lenders, the Co-Agents named therein
and Credit Suisse, as Administrative Agent

Dear Sirs:

As Vice President-Law and Secretary of The Pittston Company, a Virginia corporation (the "Company"), I have general supervision over the legal affairs of the Company and its Subsidiaries. As such, I have participated in the preparation of the Credit Agreement. Unless otherwise specifically defined, capitalized terms used herein shall have the meanings assigned to such terms in the Credit Agreement.

I am familiar with the corporate proceedings taken by the Company in connection with the Credit Agreement and the transactions contemplated thereby, and I have made such examinations of documents and matters as I have considered necessary or appropriate for the basis of the opinions hereinafter expressed. I have assumed the genuineness of all signatures (other than of officers of the Company) on all certificates and documents and the conformity to the originals of all records, certificates and documents submitted to me as copies. I have also assumed the due organization, existence and powers of the Lenders, the Co-Agents and the Administrative Agent and the due authorization, execution and delivery of the Credit Agreement on behalf of each of them.

On the basis of the foregoing, I am of the opinion that:

1. The Company is duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. The Company (i) has the requisite power and authority to own its property and assets and to carry on its business as now conducted and (ii) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not have a material adverse effect on the condition, financial or otherwise, of the Company and its Subsidiaries taken as a whole. The Company has the corporate power to execute and deliver and to perform its obligations under the Credit Agreement and to borrow thereunder.

2. The execution, delivery and performance by the Company of the Credit Agreement and the Notes have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval of the shareholders of the Company, (ii) violate any provision of any law, rule, regulation (including, without limitation, Regulation G, U or X of the Board), order, writ, judgment, injunction, decree, determination or award known to me after due inquiry and having applicability to the Company or of the Restated Articles of Incorporation or bylaws of the Company, (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument known to me after due inquiry to which the Company is a party or by which it or its properties may be bound or affected or (iv) result in the creation of an Encumbrance of any nature upon or with respect to any of the properties now owned or hereafter acquired by the

Company; and, to the best of my knowledge, the Company is not in default under any such order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument or in default under any such law, rule or regulation, which default would have a material adverse effect on the consolidated assets, properties or financial condition of the Company and its Subsidiaries.

3. No authorization, consent, approval, license, exemption of, or filing or registration with, or any other action in respect of any Governmental Authority is or will be necessary for the valid execution, delivery or performance by the Company of the Credit Agreement or the Notes.

I am a member of the bar of the State of Connecticut and do not express any opinion as to any matters governed by any law other than the law of the State of Connecticut, the Virginia Stock Corporation Act, and the federal law of the United States of America.

Very truly yours,

EXHIBIT C-2

[Letterhead of]

CRAVATH, SWAINE & MOORE

[Date]

The Pittston Company
Credit Agreement
dated as of March 4, 1994

Dear Sirs:

We have acted as special New York counsel to The Pittston Company, a Virginia corporation (the "Borrower"), in connection with the Credit Agreement dated as of March 4, 1994 (the "Credit Agreement"), among the Borrower, each of you (the "Lenders"), Chemical Bank, Credit Suisse and Morgan Guaranty Trust Company of New York, as co-agents for the Lenders (the "Co-Agents"), and Credit Suisse, as administrative agent for the Lenders (the "Administrative Agent"). This opinion is being delivered to you pursuant to Section 4.01(ii) of the Credit Agreement. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

In connection with this opinion, we have investigated such questions of law, received such information from officers and representatives of the Borrower and examined such other documents as we have deemed necessary or appropriate for the purposes of this opinion, including execution copies of the Credit Agreement and each Note.

Based on the foregoing we are of opinion that, assuming due authorization, execution and delivery of the Credit Agreement by the Borrower, the Lenders, the Co-Agents and the Administrative Agent, due authorization, execution and delivery of the Notes by the Borrower, and application by a court (other than a New York court) of the laws of the State of New York, the Credit Agreement and the Notes constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, fraudulent transfer, moratorium and other laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether considered in a proceeding in equity or at law), except that no opinion is expressed as to the enforceability of the last sentence of Section 2.14, the first sentence of Section 9.02(c) or as to the effect of the law of any jurisdiction (other than the State of New York) wherein any Lender (including any lending office thereof) may be located which limits rates of interest which may be charged or collected by such Lender.

We are admitted to practice only in the State of New York and express no opinion as to matters governed by any laws other than the laws of the State of New York and the Federal laws of the United States of America.

Very truly yours,

To each of the lenders listed
on Annex A hereto that are
parties to the Credit Agreement
dated as of March 4, 1994,
among The Pittston Company,
such Lenders, the Co-Agents

named therein and Credit Suisse,
as Administrative Agent

SCHEDULE 1.01A

Existing Lender Credit Agreements

Credit Agreement dated as of December 18, 1987, between The Pittston Company and Bank of Montreal, as amended.

Credit Agreement dated as of December 31, 1991, between The Pittston Company and The Bank of Nova Scotia, as amended.

Credit Agreement dated as of December 18, 1987, between The Pittston Company and The Chase Manhattan Bank (National Association), as amended.

Credit Agreement dated as of December 20, 1991, between The Pittston Company and The Citizens and Southern National Bank.

Credit Agreement dated as of December 18, 1989, between The Pittston Company and Credit Suisse, as amended.

Credit Agreement dated as of December 27, 1991, between The Pittston Company and The Long-Term Credit Bank of Japan, Limited, New York Branch.

Credit Agreement dated as of December 18, 1987, between The Pittston Company and Manufacturers Hanover Trust Company, as amended.

Credit Agreement dated as of December 18, 1987, between The Pittston Company and Morgan Guaranty Trust Company of New York, as amended.

Credit Agreement dated as of December 18, 1989, between The Pittston Company and National Westminster Bank plc, New York branch, as amended.

Credit Agreement dated as of December 30, 1991, between The Pittston Company and Pittsburgh National Bank, as amended.

SCHEDULE 1.01B

Unrestricted Subsidiaries

None.

SCHEDULE 2.01

COMMITMENTS

Lender (including notice address and Applicable Lending Officers)		
Credit Suisse Tower 49 12 East 49th Street New York, NY 10017 Attention: Robert C. Rubino Telecopy: (212) 238-5439	$28,571,428.57	$11,428,571.43
Chemical Bank 270 Park Avenue New York, NY 10017 Attention: Peter Eckstein Telecopy: (212) 270-3277	$25,000,000.00	$10,000,000.00
Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY 10260-0060 Attention: Caroline Shapiro Telecopy: (212) 648-5014	$12,500,000.00	$5,000,000.00
Bank of Montreal 430 Park Avenue New York, NY 10022 Attention: Brian Savage Telecopy: (212) 605-1410	$17,857,142.86	$ 7,142,857.14
The Bank of Nova Scotia One Liberty Plaza, 26th floor New York, NY 10006 Attention: Terry Fryett Telecopy: (212) 225-5145	$17,857,142.86	$ 7,142,857.14
The Chase Manhattan Bank (National Association) One Chase Manhattan Plaza New York, NY 10081 Attention: Peter Dedousis Telecopy: (212) 552-7773	$14,285,714.29	$ 5,714,285.71
Fleet Bank, N.A. 263 Tresser Boulevard Stamford, CT 06901-3236 Attention: Quay B. McKeough Telecopy: (203) 351-1511	$10,714,285.71	$ 4,285,714.29
J.P. Morgan Delaware 902 N. Market Street Wilmington, DE 19801-3015 Attention: Philip S. Detjens Telecopy: (302) 654-5336	$12,500,000.00	$5,000,000.00
The Long-Term Credit Bank of Japan, Limited, New York Branch 165 Broadway New York, NY 10006 Attention: Greg Hong Telecopy: (212) 608-2371	$17,857,142.86	$ 7,142,857.14
Mellon Bank, N.A. One Mellon Bank Center Pittsburgh, PA 15258 Attention: Andrew Mellgard Telecopy: (412) 234-8888	$10,714,285.71	$ 4,285,714.29
National Westminster Bank plc 175 Water Street,		

29th Floor New York, NY 10038 Attention: Thomas S. Olzenski Telecopy: (212) 602-4402	$17,857,142.86	$ 7,142,857.14
NationsBank of Georgia, N.A. 767 Fifth Avenue, 5th floor New York, NY 10153 Attention: Moses J. Sawney Telecopy: (212) 593-1083	$21,428,571.43	$ 8,571,428.57
PNC Bank, National Association One PNC Plaza, Third floor Fifth Avenue and Wood St. Pittsburgh, PA 15265 Attention: Dale A. Stein Telecopy: (412) 762-2784	$21,428,571.43	$ 8,571,428.57
Shawmut Bank, N.A. One Federal Street Boston, MA 02211 Attention: Kerry Day Telecopy: (617) 292-2566	$10,714,285.71	$ 4,285,714.29
Toronto Dominion (New York), Inc. 909 Fannin, Suite 1700 Houston, TX 77010 Attention: Jorgi Garcia Telecopy: (713) 951-9921	$10,714,285.71	$ 4,285,714.29
Total	$250,000,000	$100,000,000

SCHEDULE 6.02

Encumbrances

1) Encumbrances on facilities of Brink's, Incorporated and certain of its Subsidiaries representing Capital Lease Obligations in the aggregate amount of $3,796,000.

2) Encumbrances on facilities of Burlington Air Express Inc. and certain of its Subsidiaries representing Capital Lease Obligations in the aggregate amount of $1,151,000.

3) Encumbrances on the facility of Burlington Air Express Inc. in Chicago, Illinois, securing Debt of $318,000.

EXHIBIT 10.5

THE PITTSTON COMPANY

1988 Stock Option Plan
(May 6, 1994)

ARTICLE I

Purpose of the Plan

This 1988 Stock Option Plan (this "Plan") contains provisions designed to enable key employees of The Pittston Company (the "Company") and its Subsidiaries to acquire a proprietary interest in the Company in the form of shares of either or both classes of its Common Stock, viz., Pittston Services Group Common Stock and Pittston Minerals Group Common Stock. The Company intends this Plan to encourage those individuals who are expected to contribute significantly to the Company's success to accept employment or continue in the employ of the Company and its Subsidiaries, to enhance their incentive to perform at the highest level, and, in general, to further the best interests of the Company and its shareholders.

ARTICLE II

Administration of the Plan

Section 1. Subject to the authority as described herein of the Board of Directors of the Company (the "Board"), this Plan shall be administered by a committee (the "Committee") designated by the Board, which shall be composed of at least three members of the Board, all of whom are Disinterested Persons and satisfy the requirements for an outside director pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and any regulations issued thereunder. Until otherwise determined by the Board, the Compensation and Benefits Committee designated by the Board shall be the Committee under this Plan. The Committee is authorized to interpret this Plan as it deems best. All determinations by the Committee shall be made by the affirmative vote of a majority of its members, but any determination reduced to writing and signed by a majority of its members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. Subject to any applicable provisions of the Company's bylaws or of this Plan, all determinations by the Committee or by the Board pursuant to the provisions of this Plan, and all related orders or resolutions of the Committee or the Board, shall be final, conclusive and binding on all persons, including the Company and its shareholders and those receiving options under this Plan.

Section 2. All authority of the Committee provided for in or pursuant to this Plan, including that referred to in Section 1 of this Article II, may also be exercised by the Board. No action of the Board taken pursuant to the provisions of this Plan shall be effective unless at the time both a majority of the Board and a majority of the directors acting in the matter are Disinterested Persons. In the event of any conflict or inconsistency between determinations, orders, resolutions or other actions of the Committee and the Board taken in connection with this Plan, the actions of the Board shall control.

ARTICLE III

Eligibility

Only persons who are Employees, including individuals who have agreed to become Employees as provided in Article XII, shall be eligible to receive option grants under this Plan. Neither the members of the Committee nor any member of the Board who is not an Employee shall be eligible to receive any such grant.

ARTICLE IV

Stock Subject to Grants under this Plan

Section 1. Grants under this Plan shall relate to either

or both of the classes of Common Stock ("Common Stock") of the Company and may be made in the form of incentive stock options or nonqualified stock options. Unless otherwise indicated, references in this Plan to Common Stock shall be construed to refer to the class of Common Stock covered by the particular option.

Section 2. Subject to Section 3 of this Article IV, the maximum number of shares of Common Stock which may be issued pursuant to options exercised under this Plan shall be (a) in the case of Pittston Services Group Common Stock, 1,600,000 shares plus the number of shares of such Stock issuable pursuant to options outstanding under this Plan on May 6, 1994, and (b) in the case of Pittston Minerals Group Common Stock, 225,000 shares plus the number of shares of such Stock issuable pursuant to options outstanding under this Plan on May 6, 1994. Such number of shares of Common Stock referred to in clause (a) or (b) shall be reduced by the aggregate number of shares of such Common Stock covered by options purchased pursuant to Section 3 or Section 4 of Article VI. Notwithstanding the foregoing, in no event will any Employee be granted in any calendar year options to purchase more than 250,000 shares of Pittston Services Group Common Stock and 200,000 shares of Pittston Minerals Group Common Stock.

Section 3. In the event of any dividend payable in any class of Common Stock or any split or combination of any class of Common Stock, (a) the number of shares of such class which may be issued under this Plan shall be proportionately increased or decreased, as the case may be, (b) the number of shares of such class (including shares subject to options not then exercisable) deliverable pursuant to grants theretofore made shall be proportionately increased or decreased, as the case may be, and (c) the aggregate purchase price of shares of such class subject to any such grant shall not be changed. In the event of any other recapitalization, reorganization, extraordinary dividend or distribution or restructuring transaction (including any distribution of shares of stock of any Subsidiary or other property to holders of shares of any class of Common Stock) affecting any class of Common Stock, the number of shares of such class issuable under this Plan shall be subject to such adjustment as the Committee or the Board may deem appropriate, and the number of shares of such class issuable pursuant to any option theretofore granted (whether or not then exercisable) and/or the option price per share of such option, shall be subject to such adjustment as the Committee or the Board may deem appropriate with a view toward preserving the value of such option. In the event of a merger or share exchange in which the Company will not survive as an independent, publicly owned corporation, or in the event of a consolidation or of a sale of all or substantially all of the Company's assets, provision shall be made for the protection and continuation of any outstanding options by the substitution, on an equitable basis, of such shares of stock, other securities, cash, or any combination thereof, as shall be appropriate.

ARTICLE V

Purchase Price of Optioned Shares

Unless the Committee shall fix a greater purchase price, the purchase price per share of Common Stock under any option shall be 100% of the Fair Market Value of a share of Common Stock covered by such option at the time such option is granted.

ARTICLE VI

Grant of Options

Section 1. Each option granted under this Plan shall constitute either an incentive stock option, intended to qualify under Section 422 of the Code, or a nonqualified stock option, not intended to qualify under said Section 422, as determined in each case by the Committee.

Section 2. The Committee shall from time to time determine the Employees to be granted options, it being understood that options may be granted at different times to the same Employees. In addition, the Committee shall determine (a) the number and class of shares of Common Stock subject to each option, (b) the time or times when the options will be granted, (c) the purchase price of the shares subject to each option, which price shall be not less

than that specified in Article V, and (d) the time or times when each option may be exercised within the limits stated in this Plan, which except as provided in the following sentence shall in no event be less than six months after the date of grant. All options granted under this Plan shall become exercisable in their entirety at the time of any Change in Control of the Company.

Section 3. In connection with any option granted under this Plan the Committtee in its discretion may grant a stock appreciation right (a "Stock Appreciation Right"), providing that at the election of the holder of a Stock Appreciation Right (which election shall, unless the Committee otherwise consents, be made only during an Election Period), the Company shall purchase all or any part of the related option to the extent that such option is exercisable at the date of such election for an amount (payable in the form of cash, shares of Common Stock or any combination thereof, all as the Committee shall in its discretion determine) equal to the excess of the Fair Market Value of the shares of Common Stock covered by such option or part thereof so purchased on the date such election shall be made over the purchase price of such shares so covered. A Stock Appreciation Right may also provide that the Committee or the Board reserves the right to determine, in its discretion, the date (which shall be subsequent to six months after the date of grant of such option) on which such Right shall first become exercisable in whole or in part.

Section 4. In connection with any option granted under this Plan the Committee in its discretion may grant a limited right (a "Limited Right") providing that the Company shall, at the election of the holder of a Limited Right (which election may be made only during the period beginning on the first day following the date of expiration of any Offer and ending on the forty-fifth day following such date), purchase all or any part of such option, for an amount (payable entirely in cash) equal to the excess of the Offer Price of the shares of Common Stock covered by such purchase on the date such election shall be made over the purchase price of such shares so purchased. Notwithstanding any other provision of this Plan, no Limited Right may be exercised within six months of the date of its grant.

Section 5. The authority with respect to the grant of options and the determination of their provisions contained in Sections 1 through 4 of this Article VI may be delegated by the Board to one or more officers of the Company, on such conditions and limitations as the Board shall approve; provided, however, that no such authority shall be delegated with respect to the grant of options to any officer or director of the Company or with respect to the determination of any of the provisions of any of such options.

ARTICLE VII

Non-Transferability of Options

No option or Stock Appreciation Right (including any Limited Rights) granted under this Plan shall be transferable by the optionee otherwise than by will or by the laws of descent and distribution, and any such option or Stock Appreciation Right (including any Limited Rights) shall be exercised during the lifetime of the optionee only by the optionee or the optionee's duly appointed legal representative.

ARTICLE VIII

Exercise of Options

Section 1. Each incentive stock option granted under this Plan shall terminate not later than ten years from the date of grant. Each nonqualified stock option granted under this Plan shall terminate not later than ten years and two days from the date of grant.

Section 2. Except in cases provided for in Article IX, each option granted under this Plan may be exercised only while the optionee is an Employee. An Employee's right to exercise any incentive stock option shall be subject to the provisions of Section 422 of the Code restricting the exercisability of such option during any calendar year.

Section 3. A person electing to exercise an option shall give written notice to the Company of such election and of the number of shares of Common Stock such person has elected to purchase, and shall tender the full purchase price of such shares, which tender shall be made in cash or cash equivalent (which may be such person's personal check) at the time of purchase or in accordance with cash payment arrangements acceptable to the Company for payment prior to delivery of such shares or, if the Committee so determines either generally or with respect to a specified option or group of options, in shares of Common Stock already owned by such person (which shares shall be valued for such purpose on the basis of their Fair Market Value on the date of exercise), or in any combination thereof. The Company shall have no obligation to deliver shares of Common Stock pursuant to the exercise of any option, in whole or in part, until the Company receives payment in full of the purchase price thereof. No optionee or legal representative, legatee or distributee of such optionee shall be or be deemed to be a holder of any shares of Common Stock subject to such option or entitled to any rights as a shareholder of the Company in respect of any shares of Common Stock covered by such option until such shares have been paid for in full and issued by the Company. A person electing to exercise a Stock Appreciation Right or Limited Right then exercisable shall give written notice to the Company of such election and of the option or part thereof which is to be purchased by the Company.

ARTICLE IX

Termination of Options

Section 1. If an optionee shall cease to be an Employee for any reason other than death or retirement under the Company's Pension-Retirement Plan or any other pension plan sponsored by the Company or a Subsidiary, all of the optionee's options shall be terminated except that any option, Stock Appreciation Right or Limited Right to the extent then exercisable may be exercised within three months after cessation of employment, but not later than the termination date of the option or in the case of a Limited Right not later than the expiration date of such Right.

Section 2. If and when an optionee shall cease to be an Employee by reason of the optionee's early, normal or late retirement under the Company's Pension-Retirement Plan or any such other pension plan, all of the optionee's options shall be terminated except that (a) any Stock Appreciation Right or Limited Right to the extent then exercisable may be exercised within three months after such retirement, but not later than the termination date of the option or in the case of a Limited Right not later than the expiration date of such Right, and (b) any option to the extent then exercisable may, unless it otherwise provides, be exercised within three years after such retirement, but not later than the termination date of the option, unless within 45 days after such retirement the Committee determines, in its discretion, that such option may be exercised only within a period of shorter duration (not less than three months following notice of such determination to the optionee) to be specified by the Committee.

Section 3. If an optionee shall die while an Employee, all of the optionee's options shall be terminated except that any option (but not any Stock Appreciation Right or Limited Right) to the extent then exercisable by the optionee at the time of death, together with the unmatured installment, if any, of the option which at that time is next scheduled to become exercisable, may be exercised within one year after the date of such death, but not later than the termination date of the option, by the optionee's estate or by the person designated in the optionee's last will and testament.

Section 4. If an optionee shall die after ceasing to be an Employee, all of the optionee's options shall be terminated except that any option (but not any Stock Appreciation Right or Limited Right) to the extent exercisable by the optionee at the time of death may be exercised within one year after the date of death, but not later than the termination date of the option, by the optionee's estate or by the person designated in the optionee's last will and testament.

ARTICLE X

Miscellaneous Provisions

Section 1. Each option grant under this Plan shall be subject to the requirement that if at any time the Committee shall determine that the listing, registration or qualification of the shares of Common Stock subject to such grant upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the making of such grant or the issue of Common Stock pursuant thereto, then, anything in this Plan to the contrary notwithstanding, no option may be exercised in whole or in part, and no shares of Common Stock shall be issued, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free from any conditions not reasonably acceptable to the Committee.

Section 2. The Company may establish appropriate procedures to ensure payment or withholding of such income or other taxes as may be provided by law to be paid or withheld in connection with the issue of shares of Common Stock under this Plan or the making of any payments pursuant to Section 3 or 4 of Article VI, and to ensure that the Company receives prompt advice concerning the occurrence of an Income Recognition Date or any other event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or which may make available to the Company any tax deduction resulting from the occurrence of such event. Such procedures may include arrangements for payment or withholding of taxes by retaining shares of Common Stock otherwise issuable to the optionee in accordance with the provisions of this Plan or by accepting already owned shares, and by applying the Fair Market Value of such shares to the withholding taxes payable or to the amount of tax liability in excess of withholding taxes which arises from the delivery of such shares.

Section 3. Any question as to whether and when there has been a retirement under the Company's Pension-Retirement Plan or any other pension plan sponsored by the Company or a Subsidiary or a cessation of employment for any other reason shall be determined by the Committee, and any such reasonable determination shall be final.

Section 4. All instruments evidencing options granted shall be in such form, consistent with this Plan and any applicable determinations or other actions of the Committee and the Board, as the officers of the Company shall determine.

Section 5. The grant of an option to an Employee shall not be construed to give such Employee any right to be retained in the employ of the Company or any of its Subsidiaries.

ARTICLE XI

Plan Termination and Amendments

Section 1. The Board may terminate this Plan at any time, but this Plan shall in any event terminate on May 11, 1998, and no options may thereafter be granted, unless the shareholders shall have approved its extension. Options granted in accordance with this Plan prior to the date of its termination may extend beyond that date.

Section 2. The Board or the Committee may from time to time amend, modify or suspend this Plan, but no such amendment or modification without the approval of the shareholders shall

(a) increase the maximum number (determined as provided in this Plan) of shares of any class of Common Stock which may be issued pursuant to options granted under this Plan;

(b) permit the grant of any option at a purchase price less than 100% of the Fair Market Value of the Common Stock covered by such option at the time such option is granted;

(c) permit the exercise of an option unless arrangements are made to ensure that the full purchase price of the shares as to which the option is exercised is paid prior to delivery of such shares; or

(d) extend beyond May 11, 1998, the period during which option grants may be made.

ARTICLE XII

Definitions

Wherever used in this Plan, the following terms shall have the meanings indicated:

Change in Control: A Change in Control shall be deemed to have occurred if either (a) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of all classes of Common Stock outstanding (exclusive of shares held by the Company's Subsidiaries) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (b) there shall be a change in the composition of the Board at any time within two years after any tender offer, exchange offer, merger, consolidation, sale of assets or contested election, or any combination of those transactions (a "Trans-action"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the Board of Directors of the corporation which shall thereafter be in control of the companies that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (a) and (b).

Disinterested Persons: Such term shall have the meaning ascribed thereto in Rule 16b-3(d)(3) under the Securities Exchange Act of 1934.

Election Period: The period beginning on the third business day following a date on which the Company releases for publication its quarterly or annual summary statements of sales and earnings, and ending on the twelfth business day following such date.

Employee: Any officer and any other salaried employee of the Company or a Subsidiary, including (a) any director who is also an employee of the Company or a Subsidiary and (b) an officer or salaried employee on approved leave of absence provided such employee's right to continue employment with the Company or a Subsidiary upon expiration of such employee's leave of absence is guaranteed either by statute or by contract with or by a policy of the Company or a Subsidiary. For purposes of eligibility for the grant of a nonqualified stock option, such term shall include any individual who has agreed in writing to become an officer or other salaried employee of the Company or a Subsidiary within 30 days following the date on which an option is granted to such individual.

Fair Market Value: With respect to shares of any class of Common Stock, the average of the high and low quoted sale prices of a share of such Stock on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the New York Stock Exchange Composite Transactions Tape.

Income Recognition Date: With respect to the exercise of any option, the later of (a) the date of such exercise or (b) the date on which the rights of the holder of such option in the shares of Common Stock covered by such exercise become transferable and not subject to a substantial risk of forfeiture (within the meaning of Section 83 of the Code); provided, however, that, if such holder shall make an election pursuant to Section 83(b) of the Code with respect to such exercise, the Income Recognition Date with respect thereto shall be the date of such exercise.

Offer: Any tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, as a result of which any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 30% of the total voting power in the election of directors of the Company of all classes of Common Stock outstanding (exclusive of shares held by the Company's Subsidiaries).

Offer Price: The highest price per share of Common Stock paid in any Offer which is in effect at any time beginning on the ninetieth day prior to the date on which a Limited Right is exercised. Any securities or property which are part or all of the consideration paid for shares of Common Stock in the Offer shall be valued in determining the Offer Price at the higher of (a) the valuation placed on such securities or property by the person or persons making such Offer or (b) the valuation of such securities or property as may be determined by the Committee.

Subsidiary: Any corporation of which stock representing at least 50% of the ordinary voting power is owned, directly or indirectly, by the Company.

EXHIBIT 10.6

KEY EMPLOYEES' DEFERRED COMPENSATION PROGRAM OF THE PITTSTON COMPANY

As Amended and Restated as of July 1, 1994

TABLE OF CONTENTS

Key Employees' Deferred Compensation Program of The Pittston Company As Amended and Restated As of July 1, 1994

PREAMBLE

The Key Employees' Deferred Compensation Program of The Pittston Company (the "Program"), as amended and restated as of July 1, 1994, is intended to be a continuation and expansion of the Key Employees Deferred Payment Program of The Pittston Company. The expanded Program is intended to provide an opportunity to certain employees to defer receipt of (a) all or part of their cash incentive payments awarded under the Key Employees Incentive Plan of The Pittston Company, (b) up to 50% of their base salary, and (c) any or all amounts that are prevented from being deferred as a matched contribution (and the related matching contribution) under The Savings-Investment Plan of The Pittston Company and its Subsidiaries as a result of limitations imposed by Sections 401(a)(17), 401(k)(3), 402(g) and 415 of the Internal Revenue Code of 1986, as amended.

The Program is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, within the meaning of Section 201(2) of the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE I
Definitions

Wherever used in the Program, the following terms shall have the meanings indicated:

Code: The Internal Revenue Code of 1986, as amended from time to time.

Committee: The Compensation and Benefits Committee of the Company's Board of Directors, which shall consist of members of the Board of Directors who qualify as "disinterested persons" as described in Rule 16b-3(c)(2)(i) promulgated under the Securities Exchange Act of 1934, as amended.

Company: The Pittston Company.

Employee: Any resident of the United States of America who is in the employ of the Company or a Subsidiary whose principal place of business is located in the United States of America.

Incentive Account: The account maintained by the Company for an Employee to document the amounts deferred under the Program by such Employee and any other amounts credited hereunder and the Units into which such amounts shall be converted.

Minerals Stock: Pittston Minerals Group Common Stock, par value $1.00 per share.

Minerals Unit: The equivalent of one share of Minerals Stock credited to an Employee's Incentive Account.

Program: This Key Employees' Deferred Compensation Program of The Pittston Company, as in effect from time to time.

Services Stock: Pittston Services Group Common Stock, par value $1.00 per share.

Services Unit: The equivalent of one share of Services Stock credited to an Employee's Incentive Account.

Shares: Minerals Stock or Services Stock, as the case may be.

Subsidiary: Any corporation incorporated in the United States of America more than 80% of the outstanding voting stock of which is owned by the Company, by the Company and one or more Subsidiaries or by one or more Subsidiaries.

Unit: A Services Unit or Minerals Unit, as the case may be.

Year: (a) With respect to the benefits provided pursuant to Article III, the calendar year, and (b) with respect to the benefits provided pursuant to Articles IV and V, the six-month period from July 1, 1994, through December 31, 1994, and thereafter, the calendar year; provided, however, that if a newly-hired Employee becomes

eligible to participate in the benefits provided pursuant to Articles IV and/or V, on a day other than the first day of the Year, the Year for purposes of Articles IV and V shall be the portion of the calendar year during which the Employee is first eligible to participate in the benefits provided thereunder.

ARTICLE II
Administration

SECTION 1. Authorized Shares. The maximum number of Units that may be credited hereunder is 100,000 Minerals Units and 250,000 Services Units. The number of Shares of each class that may be issued or otherwise distributed hereunder will be equal to the number of Units (of each class) that may be credited hereunder.

In the event of any change in the number of shares of Minerals Stock and/or Services Stock outstanding by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, any distribution to common shareholders other than cash dividends, or any exchange of Minerals Stock for Services Stock, a corresponding adjustment shall be made to the number or kind of shares that may be deemed issued under the Program by the Committee. Such adjustment shall be conclusive and binding for all purposes of the Program.

SECTION 2. Administration. The Committee is authorized to construe the provisions of the Program and to make all determinations in connection with the administration of the Program including, but not limited to, the Employees who are eligible to participate in the benefits provided under Article III. All such determinations made by the Committee shall be final, conclusive and binding on all parties, including Employees participating in the Program.

ARTICLE III
Deferral of Cash Incentive Payments

SECTION 1. Definitions. Whenever used in this Article III, the following terms shall have the meanings indicated:

Cash Incentive Payment: A cash incentive payment awarded to an Employee for any Year under the Incentive Plan.

Incentive Plan: The Key Employees Incentive Plan of The Pittston Company, as in effect from time to time or any successor thereto.

SECTION 2. Eligibility. The Committee shall designate the key management, professional or technical Employees who may defer all or part of their Cash Incentive Payments for any Year pursuant to this Article III.

SECTION 3. Deferral of Cash Incentive Payments. Each Employee whom the Committee has selected to be eligible to defer a Cash Incentive Payment for any Year pursuant to this Article III may make an election to defer all or part (in multiples of 10%) of any Cash Incentive Payment which may be made to him or her for such Year. Such Employee's election for any Year shall be made prior to January 1 of such Year. An Incentive Account (which may be the same Incentive Account established pursuant to Articles IV and/or V) shall be established for each Employee making such election and Units in respect of such deferred payment shall be credited to such Incentive Account as provided in Section 6 below.

SECTION 4. Allocation of Deferred Amounts Between Mineral Units and Services Units. Unless the Committee otherwise determines prior to the November 15 next preceding any Year, each Employee who elects to defer a Cash Incentive Payment shall specify what portion (in multiples of 10%) of such deferred Cash Incentive Payment shall be converted into Minerals Units and Services Units in accordance with Section 6 of this Article III. Notice of any determination by the Committee pursuant to this Section 4 with respect to any Year shall be given prior to December 15 of the next preceding Year to each Employee participating in the benefits provided pursuant to this Article III for such Year.

SECTION 5. Irrevocability of Election. An election to defer Cash Incentive Payments and the allocation

of the deferred amounts between Minerals Units and Services Units under the Program for any Year shall be irrevocable after the first day of such Year.

SECTION 6. Conversion to Units. The amount of an Employee's deferred Cash Incentive Payment for any Year shall be converted to Services Units and/or Minerals Units in accordance with such Employee's election for such Year and shall be credited to such Employee's Incentive Account as of the January 1 next following the Year in respect of which the Cash Incentive Payment was made. The number (computed to the fourth decimal place) of Units so credited shall be determined by dividing the aggregate amount credited to the Employees' Incentive Account for such Year by the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the month of December of the Year immediately prior to the crediting of Units.

SECTION 7. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, any distribution to common shareholders other than cash dividends or any exchange of Minerals Stock for Services Stock.

SECTION 8. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Minerals Stock or Services Stock, the Incentive Account of each Employee will be credited with an additional number of Minerals Units and/or Services Units equal to the number of Minerals Shares and Services Shares, including fractional shares (computed to the fourth decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares of the class giving rise to the dividend or distribution represented by Units in such Incentive Account as of such date and assuming the amount of such dividend or value of such distribution had been used to acquire additional Units of the class giving rise to the dividend or other distribution. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

SECTION 9. Allocation of Units as of July 1, 1994. As of July 1, 1994, the number of Units credited to an Employee's Incentive Account shall be equal to the number of Units credited to his Incentive Account as of June 30, 1994, under the Key Employees Deferred Payment Program of The Pittston Company.

SECTION 10. Minimum Distribution. Distributions shall be made in accordance with Article VI; provided, however, that the aggregate value of the Minerals Stock and/or Services Stock and cash distributed to an Employee (and his or her beneficiaries) in respect of all Units standing to his or her credit in his or her Incentive Account attributable to deferrals of Cash Incentive Payments shall not be less than the aggregate amount of Cash Incentive Payments and dividends (credited to his Incentive Account pursuant to Section 8) in respect of which such Units were initially so credited. The value of the Minerals Stock and Services Stock so distributed shall be considered equal to the average of the high and low per share quoted sale prices of Services Stock and/or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape for the last trading day of the month preceding the month of distribution.

ARTICLE IV

Deferral of Salary

SECTION 1. Definitions. Wherever used in this Article IV, the following term shall have the meaning indicated:

Salary: The base salary paid to an Employee by the Company or a Subsidiary for personal services determined prior to reduction for any contribution made on a salary reduction basis.

SECTION 2. Eligibility. An Employee may participate in the benefits provided pursuant to this Article IV for any Year if his or her Salary (on an annualized basis) as of the preceding December 31 (June 30 for the 1994 year) is at least equal to $150,000 (as adjusted for Years after 1994 to reflect the limitation in effect under Code Section 401(a)(17) for the Year in which the Employee's election to participate is filed). Notwithstanding the foregoing, a newly hired Employee is eligible to defer a portion of his or her Salary during his or her initial Year of employment if his or her Salary (on an annualized basis) in effect on his or her first day of employment with the Company or a Subsidiary will exceed the threshold amount determined pursuant to Code Section 401(a)(17) for his or her initial calendar year of employment.

Except as otherwise provided by the Committee, an Employee who is eligible to defer a portion of his or her Salary shall continue to be so eligible unless his or her Salary for any Year (on an annualized basis) is less than $150,000, in which case he or she shall be ineligible to participate in the benefits provided under this Article IV until his or her Salary again exceeds the threshold amount determined pursuant to Code Section 401(a)(17) for the Year prior to the Year of participation.

SECTION 3. Deferral of Salary. Each Employee who is eligible to defer Salary for any Year pursuant to this Article IV may elect to defer up to 50% (in multiples of 5%) of his or her Salary for such Year; provided, however, that in the case of a newly hired Employee who is eligible to participate for his or her initial Year of employment, only up to 50% of Salary earned after he or she files a deferral election with the Committee may be deferred. Such Employee's initial election for any Year shall be made prior to the first day of such Year or within 30 days after his or her initial date of employment, if later. Such election shall remain in effect for subsequent Years unless and until a new election is filed with the Committee by the December 31 preceding the Year for which the new election is to be effective. An Incentive Account (which may be the same Incentive Account established pursuant to Articles III and/or V) shall be established for each Employee making such election and such Incentive Account shall be credited as of the last day of each month with the dollar amount of deferred Salary for such month pursuant to such election. Units in respect of such amounts shall be credited to such Incentive Account as provided in Section 6 below.

SECTION 4. Allocation of Deferred Salary Between Minerals Units and Services Units. Unless the Committee otherwise determines prior to the November 15 next preceding any Year, each Employee who elects to defer a portion of his or her Salary shall specify what portion (in multiples of 10%) of such deferred Salary shall be converted into Minerals Units and Services Units in accordance with Section 6 of this Article IV. Notice of any determination by the Committee pursuant to this Section 4 with respect to any Year shall be given prior to December 15 of the next preceding Year to each Employee participating in the benefits provided pursuant to this Article IV for such Year.

SECTION 5. Irrevocability of Election. An election to defer Salary and the allocation of the deferred Salary between Minerals Units and Services Units under the Program for any Year shall be irrevocable after the first day of such Year or after 30 days after his or her initial date of employment, if later.

SECTION 6. Conversion to Units. The amount of an Employee's deferred Salary for any Year shall be converted to Services Units and/or Minerals Units in accordance with such Employee's election for such Year and shall be credited to such Employee's Incentive Account as of the January 1 next following the Year in which such Salary was earned. The number (computed to the fourth decimal place) of Units so credited shall be determined by dividing the aggregate amount of all such deferred Salary for such Year by the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Trans-

action Tape for each trading day during the Year immediately prior to the crediting of Units.

In addition, an additional number of Units shall be credited to an Employee's Incentive Account as of the January 1 next following such Year in the event a dividend or other distribution is paid with respect to shares of Minerals Stock or Services Stock during the Year. The number of additional Units shall be equal to the number of Minerals Shares and Services Shares, including fractional shares (computed to the fourth decimal place), that could have been purchased if (a) the number of Minerals Units and Services Units credited to the Employee's Incentive Account for the Year pursuant to the preceding paragraph had been credited ratably throughout the Year, (b) the dividend or other distribution had been paid to the Incentive Account on the payment date based on the number of Shares of the class giving rise to such dividend or distribution represented by the Units credited pursuant to (a) above had a ratable number of Units been credited on the record date for the dividend or distribution, and (c) such dividend or the value of such distribution had been used to acquire additional Units of the class giving rise to the dividend or other distribution. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

Upon the Employee's termination of employment, any cash amounts not converted into Units credited to his or her Incentive Account in dollars shall be converted into Services Units and/or Minerals Units in accordance with the Employee's election for the Year of termination in the manner described in the first paragraph of this Section 6 based on the quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape for each trading day during the portion of the Year preceding the month of termination. Such Employee's Incentive Account shall also be credited with an additional number of Units in the event a dividend or other distribution is paid with respect to shares of Minerals Stock or Services Stock during the Year prior to his or her termination of employment. The additional number of Units shall be determined in accordance with the second paragraph of this Section 6 assuming that the number of Minerals Units and Services Units credited to his or her Incentive Account during the Year as a result of his or her termination of employment had been credited ratably during the portion of the Year preceding his or her termination.

SECTION 7. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than cash dividends or any exchange of Minerals Stock for Services Stock.

SECTION 8. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Minerals Stock or Services Stock, the Incentive Account of each Employee will be credited with an additional number of Minerals Units and/or Services Units equal to the number of Minerals Shares and Services Shares, including fractional shares (computed to the fourth decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares of the class giving rise to the dividend or distribution represented by the Units in such Incentive Account as of such date and assuming the amount of such dividend or value of such distribution had been used to acquire additional Units of the class giving rise to the dividend or other distribution. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any dis-

tribution in property will be determined by the Committee.

SECTION 9. Minimum Distribution. Distributions shall be made in accordance with Article VI; provided, however, the aggregate value of the Minerals Stock and/or Services Stock and cash distributed to an Employee (and his or her beneficiaries) in respect of all Units standing to his or her credit in his or her Incentive Account attributable to the deferral of Salary and dividends (credited to his Incentive Account pursuant to Sections 6 and 8) shall not be less than the aggregate amount of Salary in respect of which such Units were initially so credited. The value of the Minerals Stock and Services Stock so distributed shall be considered equal to the average of the high and low per share quoted sale prices of Services Stock and/or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape for the last trading day of the month preceding the month of distribution.

ARTICLE V
Supplemental Savings Plan

SECTION 1. Definitions. Whenever used in this Article V, the following terms shall have the meanings indicated:

Compensation: The regular wages received during any pay period by an Employee while a participant in the Savings Plan for services rendered to the Company or any Subsidiary that participates in the Savings Plan, including any commissions or bonuses, but excluding any overtime or premium pay, living or other expense allowances, or contributions by the Company or such Subsidiaries to any plan of deferred compensation, and determined without regard to the application of any salary reduction election under the Savings Plan. Bonuses paid pursuant to the Incentive Plan shall be considered received in the Year in which they are payable whether or not such bonus is deferred pursuant to Article III hereof.

Incentive Plan: The Key Employees Incentive Plan of The Pittston Company, as in effect from time to time or any successor thereto.

Matching Contributions: Amounts allocated to an Employee's Incentive Account pursuant to Section 4 of this Article V.

Salary: The base salary paid to an Employee by the Company or a Subsidiary for personal services determined prior to reduction for any contribution made on a salary reduction basis.

Savings Plan: The Savings-Investment Plan of The Pittston Company and Its Subsidiaries, as in effect from time to time.

SECTION 2. Eligibility. An Employee may participate in the benefits provided pursuant to this Article V for any Year if his or her Salary (on an annualized basis) as of the preceding December 31 (June 30 for the 1994 Year) is at least equal to $150,000 (as adjusted for Years after 1994 to reflect the limitation in effect under Code Section 401(a)(17) for the Year in which the Employee's election to participate is filed). Notwithstanding the foregoing, a newly hired Employee is eligible to participate in the benefits provided pursuant to this Article V if his or her Salary (on an annualized basis) in effect on his or her first day of employment with the Company or a Subsidiary will exceed the threshold amount determined pursuant to Code Section 401(a)(17) for his or her initial calendar year of employment.

Except as otherwise provided by the Committee, an Employee who is eligible to participate in the benefits provided pursuant to this Article V shall continue to be so eligible unless his or her Salary for any Year is less than $150,000, in which case he or she shall be ineligible to participate in the benefits provided under this Article V until his or her Salary again exceeds the threshold amount determined pursuant to Code Section 401(a)(17) for the Year prior to the Year of participation.

SECTION 3. Deferral of Compensation. Effective July 1, 1994, each Employee who is not permitted to defer the maximum percentage of his or her Compensation that may be contributed as a matched contribution under the Savings Plan for any Year as a result of limitations imposed by

Sections 401(a)(17), 401(k)(3), 402(g) and/or 415 of the Code may elect to defer all or part of the excess of (a) such maximum percentage (five percent for 1994) of his or her Compensation for the calendar year (without regard to any limitation on such amount imposed by Code Section 401(a)(17)) over (b) the amount actually contributed on his or her behalf under the Savings Plan for such calendar year as a matched contribution; provided, however, that with respect to the 1994 Year, only Compensation paid after July 1, 1994, may be deferred. In order to be permitted to defer any portion of his or her Compensation pursuant to this Section 3 of Article V, the Employee must elect to defer the maximum amount permitted as a matched contribution for the calendar year under the Savings Plan. Such Employee's initial election hereunder for any Year shall be made prior to the first day of such Year or prior to the date on which he or she is first eligible to participate in the Savings Plan, if later. Such election shall remain in effect for subsequent Years unless and until a new election is filed with the Committee by the December 31 preceding the Year for which the new election is to be effective. An Incentive Account (which may be the same Incentive Account established pursuant to Articles III and/or IV) shall be established for each Employee making such election and such Incentive Account shall be credited as of the last day of each month with the dollar amount of the Compensation deferred for such month pursuant to such election. Units in respect of such amounts shall be credited to such Incentive Account as provided in Section 7 below.

SECTION 4. Matching Contributions. Each Employee who elects to defer a portion of his or her Compensation for a Year pursuant to Section 3 of this Article III shall have allocated to his or her Incentive Account a Matching Contribution equal to the rate of matching contributions in effect for such Employee under the Savings Plan for such Year multiplied by the amount elected to be deferred pursuant to Section 3 above for each month in such Year. The dollar amount of each Employee's Matching Contributions for each month shall be credited to his or her Incentive Account as of the last day of each month.

SECTION 5. Allocation of Deferred Amounts Between Minerals Units and Services Units. Unless the Committee otherwise determines prior to the November 15 next preceding any Year, each Employee who elects to defer Compensation shall specify what portion (in multiples of 10%) of such deferred Compensation shall be converted into Minerals Units and Services Units in accordance with Section 7 of this Article V. Matching Contributions shall be allocated between Minerals Units and Services Units in the same proportion as deferrals of Compensation. Notice of any determination by the Committee pursuant to this Section 5 with respect to any Year shall be given prior to December 15 of the next preceding Year to each Employee participating in the benefits provided pursuant to this Article V for such Year.

SECTION 6. Irrevocability of Election. An election to defer amounts and the allocation of the deferred amounts between Mineral Units and Services Units under the Program for any Year shall be irrevocable after the first day of such Year or prior to the date on which he or she is first eligible to participate in the Savings Plan, if later.

SECTION 7. Conversion to Units. The amount of an Employee's deferred Compensation and Matching Contributions for any Year shall be converted to Services Units and/or Minerals Units in accordance with such Employee's election for such Year and shall be credited to such Employee's Incentive Account as of the January 1 next following the Year in which such Compensation was earned. The number (computed to the fourth decimal place) of Units so credited shall be determined by dividing the aggregate amount of all such amounts credited to the Employees' Incentive Account for such Year (a) attributable to the deferral of amounts awarded under the Incentive Plan (including related Matching Contributions) by the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the month of December of the Year immediately prior to the crediting of Units and (b) attributable to the deferral of all other Compensation (including related Matching Contributions) by the average of the high and low per share quoted

sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the period commencing on the first day of the month after the Employees' salary (as such term is defined in the Savings Plan) equals the maximum amount of considered compensation for such Year pursuant to Code Section 401(a)(17) and ending on December 31.

In addition, an additional number of Units shall be credited to an Employee's Incentive Account as of the January 1 of the following Year in the event a dividend or other distribution is paid with respect to shares of Minerals Stock or Services Stock during the Year. The number of additional Units shall be equal to the number of Minerals Shares and Services Shares, including fractional shares (computed to the fourth decimal place), that could have been purchased if (a) the number of Minerals Units and Services Units credited to the Employee's Incentive Account, for the Year pursuant to the preceding paragraph had been credited ratably throughout the portion of the Year commencing on the first day of the month after the Employee's salary (as defined in the Savings Plan) equals the maximum amount of considered compensation for such Year pursuant to Code Section 401(a)(17), (b) the dividend or other distribution had been paid to the Incentive Account on the payment date based on the number of shares of the class giving rise to such dividend or distribution represented by the Units credited pursuant to (a) above had a ratable number of Units been credited on the record date for the dividend or distribution, and (c) such dividend or the value of such distribution had been used to acquire additional Units of the class giving rise to the dividend or other distribution. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

Upon the Employee's termination of employment, any cash amounts not converted into Units credited to his or her Incentive Account in dollars shall be converted into Services Units and/or Minerals Units in accordance with the Employee's election for the Year of termination in the manner described in the first paragraph of this Section 7 based on the quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape for each trading day during the portion of the Year preceding the month of termination. Such Employee's Incentive Account shall also be credited with an additional number of Units in the event a dividend or other distribution is paid with respect to shares of Minerals Stock or Services Stock during the Year prior to his or her termination of employment. The additional number of Units shall be determined in accordance with the second paragraph of this Section 7 assuming that the number of Minerals Units and Services Units credited to his or her Incentive Account during the Year as a result of his or her termination of employment had been credited ratably during the portion of the Year preceding his or her termination.

SECTION 8. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, any distribution to common shareholders other than cash dividends or any exchange of Minerals Stock for Services Stock.

SECTION 9. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Minerals Stock or Services Stock, the Incentive Account of each Employee will be credited with an additional number of Minerals Units and/or Services Units equal to the number of Minerals Shares and Services Shares, including fractional shares (computed to the fourth decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares of the class giving rise to the dividend or

distribution represented by the Units in such Incentive Account as of such date and assuming that the amount of such dividend or value of such distribution had been used to acquire additional Units of the class giving rise to the dividend or other distribution. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

ARTICLE VI
Distributions

SECTION 1. Payments on Termination of Employment. Except as otherwise provided in this Article VI, each Employee who has an Incentive Account shall receive a distribution in Minerals Stock and/or Services Stock, in respect of all Units standing to the credit of such Employee's Incentive Account, in a single lump-sum distribution as soon as practicable following his or her termination of employment; provided, however, that an Employee may elect, at least 12 months prior to his or her termination of employment to receive distribution of the Shares represented by Units credited to his or her Incentive Account in equal annual installments (not more than five) commencing on the first day of the month next following the date of his or her termination of employment (whether by death, disability, retirement or otherwise) or as promptly as practicable thereafter. Such Employee may at any time elect to change the manner of such payment, provided that any such election is made at least 12 months in advance of his or her termination of employment.

The number of shares of Minerals Stock and/or Services Stock to be included in each installment payment shall be determined by multiplying the number of Minerals Units and/or Stock Units, respectively, in the Employee's Incentive Account as of the last day of the month preceding the initial installment payment and as of each succeeding anniversary of such date by a fraction, the numerator or which is one and the denominator of which is the number of remaining installments (including the current installment). Any fractional Units shall be converted to cash based on the average of the high and low per share quoted sale prices of the Services Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape, on the last trading day of the month preceding the month of distribution and shall be paid in cash.

SECTION 2. In-Service Distributions. Any Employee may make an election, on or before December 31 of any Year, to receive a distribution in Minerals Stock and/or Services Stock in a lump sum or in not more than five equal annual installments, on or commencing as of January 1 of the second following Year (or as promptly as practicable thereafter), in respect of all Units (i.e., both Services Units and Minerals Units) standing to his or her credit in such Incentive Account as of such January 1; provided, however, that no such election shall be effective if (a) such Employee has outstanding at such December 31 an election pursuant to Article III, IV or V to defer any amounts hereunder or (b) such Employee's employment shall terminate for any reason prior to such January 1. Such election to receive a distribution or distributions shall be irrevocable, except that it may be revoked, and a new election may be made, at any time prior to such December 31. The number of shares of Minerals Stock and/or Services Stock (and the amount of cash representing fractional Units) to be distributed shall be determined in the same manner as provided in Section 1 of this Article VI.

ARTICLE VII
Designation of Beneficiary

An Employee may designate in a written election filed with the Committee a beneficiary or beneficiaries (which may be an entity other than a natural person) to receive all distributions and payments under the Program after the Employee's death. Any such designation may be revoked, and a new election may be made, at any time and from time to time, by the Employee without the consent of

any beneficiary. If the Employee designates more than one beneficiary, any distributions and payments to such beneficiaries shall be made in equal percentages unless the Employee has designated otherwise, in which case the distributions and payments shall be made in the percentages designated by the Employee. If no beneficiary has been named by the Employee or no beneficiary survives the Employee, the remaining Shares (including fractional Shares) in the Employee's Incentive Account shall be distributed or paid in a single sum to the Employee's estate. In the event of a beneficiary's death after installment payments to the beneficiary have commenced, the remaining installments will be paid to a contingent beneficiary, if any, designated by the Employee or, in the absence of a surviving contingent beneficiary, the remaining Shares (including fractional Shares) shall be distributed or paid to the primary beneficiary's estate in a single distribution. All distributions shall be made in Shares except that fractional shares shall be paid in cash.

ARTICLE VIII
Miscellaneous

SECTION 1. Nontransferability of Benefits. Except as provided in Article VII, Units credited to an Incentive Account shall not be transferable by the Employee (or his or her beneficiaries) other than by will or the laws of descent and distribution or pursuant to a domestic relations order. No Employee, no person claiming through such Employee, nor any other person shall have any right or interest under the Program, or in its continuance, in the payment of any amount or distribution of any Shares under the Program, unless and until all the provisions of the Program, any determination made by the Committee thereunder, and any restrictions and limitations on the payment itself have been fully complied with. Except as provided in this Section 1, no rights under the Program, contingent or otherwise, shall be transferable, assignable or subject to any pledge or encumbrance of any nature, nor shall the Company or any of its Subsidiaries be obligated, except as otherwise required by law, to recognize or give effect to any such transfer, assignment, pledge or encumbrance.

SECTION 2. Notices. The Company may require all elections contemplated by the Program to be made on forms provided by it. All notices, elections and other communications pursuant to the Program shall be in writing and shall be effective when received by the Company at the following address:

The Pittston Company
100 First Stamford Place
P. O. Box 120070
Stamford, CT 06912-0070

Attention of Vice President -- Human Resources

SECTION 3. Limitation on Rights of Employee. Nothing in this Program shall be deemed to create, on the part of any Employee, beneficiary or other person, (a) any interest of any kind in the assets of the Company or (b) any trust or fiduciary relationship in relation to the Company. The right of an Employee to receive any Shares shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 4. No Contract of Employment. The benefits provided under the Program for an Employee shall be in addition to, and in no way preclude, other forms of compensation to or in respect of such Employee. However, the selection of any Employee for participation in the Program shall not give such Employee any right to be retained in the employ of the Company or any of its Subsidiaries for any period. The right of the Company and of each such Subsidiary to terminate the employment of any Employee for any reason or at any time is specifically reserved.

SECTION 5. Withholding. All distributions pursuant to the Program shall be subject to withholding in respect of income and other taxes required by law to be withheld. The Company shall establish appropriate procedures to ensure payment or withholding of such taxes. Such procedures may include arrangements for payment or withholding of taxes by retaining Shares otherwise issuable in accordance with the provisions of this Program or by

accepting already owned Shares, and by applying the fair market value of such Shares to the withholding taxes payable.

SECTION 6. Amendment and Termination. The Committee may from time to time amend any of the provisions of the Program, or may at any time terminate the Program. No amendment or termination shall adversely affect any Units (or distributions in respect thereof) which shall theretofore have been credited to any Employee's Incentive Account. In conjunction with the termination of the Program, the Committee may in its discretion determine whether the value of all Units credited to any or all of the Incentive Accounts under the Program shall be distributed in Shares as promptly as practicable after such termination.

EXHIBIT 10.7

1994 EMPLOYEE STOCK PURCHASE PLAN

OF

THE PITTSTON COMPANY

(As Effective July 1, 1994)

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1994 EMPLOYEE STOCK PURCHASE PLAN

OF

THE PITTSTON COMPANY

ARTICLE I
Purpose of the Plan

This 1994 Employee Stock Purchase Plan of The Pittston Company (the "Plan") contains provisions designed to enable eligible employees to purchase through regular payroll deductions shares of either or both classes of Common Stock of The Pittston Company, viz., Pittston Services Group Common Stock and Pittston Minerals Group Common Stock. The Company intends this Plan to encourage such employees to acquire a proprietary interest in the Company with a view toward further identifying their interests with those of other shareholders of the Company. The Plan is intended to qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code.

ARTICLE II
Definitions

Section 1. Wherever used in the Plan, the following terms shall have the meanings indicated:

Board: The Board of Directors of the Company.

Code: The Internal Revenue Code of 1986, as amended.

Committee: The committee designated by the Board to administer the Plan in accordance with Section 1 of Article III. Until otherwise determined by the Board, the Administrative Committee designated by the Board shall be the Committee under the Plan.

Common Stock: Either or both classes of common stock of the Company, viz., Pittston Services Group Common Stock and Pittston Minerals Group Common Stock. Unless otherwise indicated, references in the Plan to Common Stock shall be construed to refer to the class of common stock covered by the particular designation on a Participant's enrollment form. Such shares of common stock of the Company shall be subject to such terms, conditions and restrictions, including without limitation, restrictions on resale of such shares for a specified period of time, as shall be determined by the Committee.

Company: The Pittston Company.

Compensation: The annual base rate of pay of a Participant as of each Offering Date applicable to such Participant, including commissions but excluding, unless otherwise determined by the Committee in accordance with nondiscriminatory rules adopted by it, overtime or premium pay.

Dividend Date: The date on which a cash dividend on Common Stock held by the Nominee is paid.

Eligible Employee: Any employee of the Company or a Subsidiary (a) whose date of hire was at least six months prior to the commencement of an Offering Period and (b) who is customarily employed for at least 20 hours per week and five months in a calendar year; provided, however, that in the case of an employee who is covered by a collective bargaining agreement, he or she shall not be considered an Eligible Employee unless and until the labor organization representing such individual has accepted the Plan on behalf of the employees in the collective bargaining unit. Any such employee shall continue to be an Eligible Employee during an approved leave of absence provided such employee's right to continue employment with the Company or a Subsidiary upon expiration of such employee's leave of absence is guaranteed either by statute or by contract with or a policy of the Company or a Subsidiary.

Executive Officer: A Participant who is subject to Section 16 of the Securities Exchange Act of 1934 and the rules thereunder.

Fair Market Value: With respect to shares of any class of Common Stock, the average of the high and low

quoted sale prices of a share of such stock on the applicable Offering Date, Purchase Date, Dividend Date or other date specified herein, as the case may be, as reported on the New York Stock Exchange Composite Transactions Tape; provided that (a) if on such Offering Date, Dividend Date or any other date other than the Purchase Date, there is no reported sale transaction on the New York Stock Exchange Composite Transactions Tape, Fair Market Value shall be determined on the first subsequent date on which such a transaction shall have occurred, and (b) if on such Purchase Date there is no such transaction, Fair Market Value shall be determined on the last preceding date on which such a transaction shall have occurred.

Nominee: The custodian designated by the Company for the Plan Accounts held hereunder.

Offering Date: The first day of each six-month period commencing on July 1 or January 1 on and after July 1, 1994.

Offering Period: With respect to each Participant, the six-month period from an Offering Date to and including the next following Purchase Date.

Participant: An Eligible Employee who elects to participate in the Plan on an Offering Date in accordance with the provisions of the Plan. All Participants shall have the same rights and privileges except as otherwise permitted by Section 423 of the Code and the Plan.

Plan Account: The account established for each Participant pursuant to the Plan.

Purchase Date: The last day of each six-month Offering Period.

Purchase Price: The price at which Participants may purchase shares of each class of Common Stock in accordance with the Plan.

Subsidiary: A subsidiary corporation, as defined in Section 424 of the Code, which is designated by the Committee as a Subsidiary for purposes of the Plan.

ARTICLE III
Administration

Section 1. Subject to the authority of the Board as described herein, the Plan shall be administered by a committee designated by the Board, which shall be composed of at least three members. The Committee is authorized to interpret the Plan and may from time to time adopt such rules and regulations for carrying out the Plan as it deems best. All determinations by the Committee shall be made by the affirmative vote of a majority of its members, but any determination reduced to writing and signed by a majority of its members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. Subject to any applicable provisions of the Company's bylaws or of the Plan, all determinations by the Committee or the Board pursuant to the provisions of the Plan, and all related orders or resolutions of the Committee or the Board, shall be final, conclusive and binding on all persons, including the Company and its shareholders and Eligible Employees and Participants under the Plan.

Section 2. All authority of the Committee provided for in, or pursuant to, this Plan, including that referred to in Section 1 of this Article III, may also be exercised by the Board. In the event of any conflict or inconsistency between determinations, orders, resolutions or other actions of the Committee and the Board taken in connection with this Plan, the actions of the Board shall control.

ARTICLE IV
Number of Shares to be Offered

Section 1. Subject to the provisions of Section 2 of this Article IV, the maximum number of shares of Common Stock which may be issued or allocated pursuant to the Plan shall be (a) in the case of Pittston Services Group Common Stock, 750,000 shares and (b) in the case of Pittston Minerals Group Common Stock, 250,000 shares.

Section 2. In the event of any dividend payable in any class of Common Stock or any split or combination of any class of Common Stock, (a) the number of shares of such class which may be issued under this Plan shall be proportionately increased or decreased, as the case may be,

(b) the number of shares of such class (including shares subject to rights to purchase which have not been exercised) thereafter deliverable shall be proportionately increased or decreased, as the case may be, and (c) the aggregate Purchase Price of shares of such class shall not be changed. In the event of any other recapitalization, reorganization, extraordinary dividend or distribution or restructuring transaction (including any distribution of shares of stock of any Subsidiary or other property to holders of shares of any class of Common Stock) affecting any class of Common Stock, the number of shares of such class issuable under this Plan shall be subject to such adjustment as the Committee or the Board may deem appropriate, and the number of shares of such class thereafter deliverable (including shares subject to rights to purchase which have not been exercised) and/or the Purchase Price shall be subject to such adjustment as the Committee or the Board may deem appropriate. In the event of a merger or share exchange in which the Company will not survive as an independent, publicly owned corporation, or in the event of a consolidation or of a sale of all or substantially all of the Company's assets, provision shall be made for the protection and continuation of any outstanding rights to purchase by the substitution, on an equitable basis, of such shares of stock, other securities, cash, or any combination thereof, as shall be appropriate.

ARTICLE V
Eligibility and Participation

Section 1. An Eligible Employee who shall have satisfied all eligibility requirements on or before any Offering Date may become a Participant for the Offering Period commencing on such Offering Date by filing with the office or offices designated by the Committee an enrollment form prescribed by the Committee authorizing payroll deductions not less than ten business days prior to such Offering Date. By enrolling in the Plan, a Participant shall be deemed to elect to purchase the maximum number of shares (including the right to fractional shares calculated to the fourth decimal place) of the class of Common Stock that can be purchased with the amount of the Participant's Compensation which is withheld and designated for such class during the Offering Period.

Section 2. A Participant shall automatically participate in each successive Offering Period until the time of such Participant's withdrawal from the Plan as hereinafter provided. A Participant shall not be required to file any additional enrollment forms for any such successive Offering Period in order to continue participation in the Plan.

Section 3. Each Participant shall designate on the enrollment form the percentage of Compensation which he or she elects to have withheld for the purchase of Common Stock, which may be any whole percentage from 1% up to and including 10% of such Participant's Compensation. A Participant may reduce (but not increase) the rate of payroll withholding during an Offering Period by filing with the Committee a form to be prescribed by it, at any time prior to the end of such Offering Period for which such reduction is to be effective. Not more than one reduction may be made in any Offering Period unless otherwise determined by nondiscriminatory rules adopted by the Committee. Each Participant shall also designate on the enrollment form a percentage (in multiples of 10%) of the Compensation withheld during an Offering Period that is to be used to purchase Pittston Services Group Common Stock and/or a percentage (in multiples of 10%) of such Compensation that is to be used to purchase Pittston Minerals Group Common Stock; provided, however, that 100% of withheld Compensation shall be allocated between the two classes of Common Stock. In the event a Participant elects to reduce the rate of payroll withholding during an Offering Period, such reduction shall be applied ratably to the allocation of his or her withheld Compensation between the two classes of Common Stock. During an Offering Period, a Participant may not change the allocation of his or her Compensation to be withheld during such Offering Period although such allocation may be changed for any subsequent Offering Period by filing an appropriate form not less than ten business days prior to the Offering Date for such subsequent Offering Period. A Participant may increase or decrease the rate of

payroll deduction for any subsequent Offering Period by filing, at the appropriate office provided for in Section 1 of this Article V, a new authorization for payroll deductions not less than ten business days prior to the Offering Date for such subsequent Offering Period. An Executive Officer who reduces the rate of payroll withholding during an Offering Period to zero may not resume participation the Plan until the first Offering Period commencing after the expiration of six months from the effective date of such reduction.

Section 4. The Purchase Price for each share of Common Stock to be purchased under the Plan in respect of any Offering Period shall be 85% of the Fair Market Value of such share on either (a) the Offering Date in respect thereof or (b) the Purchase Date in respect thereof, whichever is less.

Section 5. The aggregate Purchase Price shall be accumulated throughout the Offering Period solely by payroll deductions which shall be applied automatically to purchase shares of the appropriate class of Common Stock on the Purchase Date for such Offering Period. Payroll deductions shall commence on the first payday following the applicable Offering Date and shall continue to the end of the Offering Period subject to prior decrease, withdrawal or termination as provided in the Plan.

Section 6. The Company will maintain a Plan Account on its books in the name of each Participant. On each payday the amount deducted from each Participant's Compensation will be credited to such Participant's Plan Account and such aggregate amount will be allocated between amounts to be used to purchase Pittston Services Group Common Stock and amounts to be used to purchase Pittston Minerals Group Common Stock. No interest shall accrue on any such payroll deductions. As of the Purchase Date with respect to each Offering Period, the amount then in such Plan Account and allocated to each class of Common Stock shall be applied to the purchase of the number of shares (including the right to fractional shares computed to the fourth decimal place) of the appropriate class of Common Stock determined by dividing such amount by the applicable Purchase Price of each class of Common Stock.

Section 7. The shares of Common Stock (including the right to fractional shares) purchased on behalf of a Participant shall initially be registered in the name of a Nominee. Stock certificates shall not be issued to Participants for the Common Stock held on their behalf in the name of the Nominee, but all rights accruing to an owner of record of such Common Stock, including, without limitation, voting and tendering rights, shall belong to the Participant for whose account such Common Stock is held.

Notwithstanding the foregoing, a Participant may elect, as of the first day of any calendar quarter, to have some or all of the full shares of either class of Common Stock previously purchased and registered in the name of the Nominee on his or her behalf registered in the name of such Participant by giving written notification of such election to the Company, specifying the number of full shares (if fewer than all) to be registered in the name of such Participant. In such case, the number of full shares of each class of Common Stock held by the Nominee on behalf of such Participant and so specified in the Participant's notice shall be transferred to and registered in the name of such Participant as soon as administratively practicable.

Upon the termination of the Plan pursuant to Article X, any full shares of either class of Common Stock purchased for the benefit of any Participant under the Plan which are registered in the name of the Nominee shall be transferred to and registered in the name of each such Participant as soon as administratively practicable. In addition, each such Participant shall receive a cash payment in lieu of fractional shares equal to the Fair Market Value of any fractional shares of Common Stock held by the Nominee on the date of the termination of the Plan for the benefit of such Participant.

Section 8. A Participant may elect to cease active participation in the Plan with respect to either or both classes of Common Stock at any time up to the end of an Offering Period by filing with the Committee a form to be prescribed by it. As promptly as practicable after such filing, all payroll deductions credited to such Participant's Plan Account and allocated for the purchase of

the class of Common Stock with respect to which the Participant is ceasing participation shall be returned to such Participant in cash, without interest. A Participant who elects to cease participation in the Plan may not resume participation in the Plan until after the expiration of one full Offering Period (following cessation of participation). Thereafter, any such Participant may enroll in the Plan by filing an enrollment form as provided in Section 1 of this Article V.

Section 9. In the event that the aggregate number of shares of either class of Common Stock which all Participants elect to purchase during an Offering Period shall exceed the number of shares of such class remaining available for issuance under the Plan, the number of shares which each Participant shall become entitled to purchase during such Offering Period shall be determined by multiplying the number of such shares available for issuance by a fraction whose numerator shall be the number of such shares such Participant has elected to purchase and whose denominator shall be the sum of the number of such shares which all Participants have elected to purchase. Any amounts deducted from a Participant's Compensation in excess of the amount that may be used to acquire shares of Common Stock shall be refunded to the Participant as soon as practicable.

Section 10. By executing an enrollment form, a Participant shall have authorized the Nominee to receive and collect all cash dividends or other distributions paid with respect to shares of Common Stock held on the Participant's behalf and to use such funds to purchase all additional shares of Pittston Minerals Group Common Stock and Pittston Services Group Common Stock, including the right to fractional shares, on behalf of the Participant, that could be purchased by dividing the amount of such dividend or other distribution by the Fair Market Value of the class of Common Stock giving rise to the distribution on the Dividend Date. The cash value of any distribution in property shall be determined by the Committee. Any stock dividend on shares of Common Stock shall be held by the Nominee for the benefit of the Participant on whose behalf the shares of Common Stock giving rise to the dividend are held. The Nominee shall distribute to any Participant, as soon as practical, any dividends received on shares of Common Stock, if the maximum share limitations set forth in Section 1 of Article IV prevent further issuances of such shares. A Participant who elects to hold shares of Common Stock previously registered in the name of the Nominee in his or her own name will cease to have the benefit of this Section 10 with respect to such shares when they are registered in his or her own name.

Section 11. Each Participant is entitled to direct the Nominee as to the manner in which any Common Stock held by the Nominee on behalf of such Participant is to be voted. Participants may vote fractional shares credited to their Plan Accounts. The combined fractional shares shall be voted to the extent possible to reflect the directions of the Participants holding fractional shares. Shares of Common Stock (including fractional shares) as to which the Nominee shall not have received timely written voting directions by a Participant shall be voted proportionately with Common Stock of the same class as to which directions by Participants were so received.

Each Participant (or, in the event of his or her death, his or her beneficiary) is entitled to direct the Nominee in writing as to the manner in which the Nominee shall respond to a tender or exchange offer with respect to full shares of such Common Stock, and the Nominee shall respond in accordance with such directions. If the Nominee shall not have received timely written directions as to the response to such offer, the Nominee shall not tender or exchange any Common Stock allocated to such Plan Accounts.

ARTICLE VI

Effect of Termination of Employment

In the event of the termination of a Participant's employment for any reason, including retirement or death, or the failure of a Participant to remain an Eligible Employee, all full shares of each class of Common Stock then held for his or her benefit by the Nominee shall be registered in such individual's name and an amount equal to the Fair Market Value (on the date of registration of full shares of

Common Stock in the name of the Participant) of any fractional share then held by the Nominee for the benefit of such Participant shall be paid to such individual, in cash, as soon as administratively practicable, and such individual shall thereupon cease to own the right to any such fractional share. Any amounts credited to such individual's Plan Account shall be refunded, without interest, to such individual, or in the event of his or her death, to his or her legal representative. A transfer by a Participant from the Company to a Subsidiary, from one Subsidiary to another, or from a Subsidiary to the Company shall not be considered to be a termination of employment.

ARTICLE VII

Rights Not Transferable

The rights and interests of any Participant in the Plan, including any right to purchase shares of Common Stock, or in any Common Stock or moneys to which he or she may be entitled under the Plan shall not be transferable otherwise than by will or the applicable laws of descent and distribution and any such right to purchase shall be exercisable, only during the lifetime of such Participant, and then only by such Participant. If a Participant shall in any manner attempt to transfer, assign or otherwise encumber his or her rights or interests under the Plan, other than by will, such attempt shall be deemed to constitute a cessation of participation in the Plan and the provisions included in Section 8 of Article V shall apply.

ARTICLE VIII

Limitation on Stock Ownership

Notwithstanding any provision herein to the contrary, no Participant shall have a right to purchase shares of any class of Common Stock pursuant to Article V if (a) such Participant, immediately after electing to purchase such shares, would own Common Stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary, or (b) the rights of such Participant to purchase Common Stock under the Plan would accrue at a rate that exceeds $15,000 of Fair Market Value of such Common Stock (determined at the time or times such rights are granted) for each calendar year for which such rights are outstanding at any time. For purposes of the foregoing clause (a), ownership of Common Stock shall be determined by the attribution rules of Section 424(d) of the Code and Participants shall be considered to own any Common Stock which they have a right to purchase under the Plan or any other stock option or purchase plan.

ARTICLE IX

Miscellaneous Provisions

Section 1. Nothing in the Plan shall be construed to give any Eligible Employee or Participant the right to be retained in the employ of the Company or a Subsidiary or to affect the right of the Company or any Subsidiary or a Participant to terminate such employment at any time with or without cause.

Section 2. A Participant shall have no rights as a shareholder with respect to any shares of any class of Common Stock which he or she may have a right to purchase under the Plan until the date such shares are registered in the name of a Nominee on behalf of such Participant.

Section 3. Each right to purchase shares of any class of Common Stock under the Plan shall be subject to the requirement that if at any time the Committee shall determine that the listing, registration or qualification of such right to purchase or the shares of any class of Common Stock subject thereto upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, such right to purchase or the issue of any class of Common Stock pursuant thereto, then, anything in the Plan to the contrary notwithstanding, no such right to purchase may be exercised in whole or in part, and no shares of such class of Common Stock shall be issued, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free from any conditions not reasonably acceptable to the Committee.

Section 4. All instruments evidencing

participation in the Plan shall be in such form, consistent with the Plan and any applicable determinations or other actions of the Committee and the Board, as the Company shall determine.

Section 5. The Committee may establish appropriate procedures with a view toward obtaining information regarding any disqualifying disposition by any person of shares of any class of Common Stock which may make available to the Company a tax deduction in respect of such disposition.

ARTICLE X

Amendment or Termination of the Plan

Section 1. The Plan shall become effective as of July 1, 1994, provided that the Plan shall receive shareholder approval (that is, the approval by the vote of the holders of a majority of the outstanding shares of all classes of Common Stock present and voting at the 1994 annual meeting of shareholders of the Company, or any adjournment thereof). In the event shareholder approval of the Plan is not received at the 1994 annual meeting, all payroll deductions withheld prior to the date of such meeting shall be returned to the Participants in cash, without interest, and the Participants shall have no interest in the Plan. The Plan shall in any event terminate on June 30, 1997, unless the shareholders shall theretofore have approved an extension of such termination date.

Section 2. The Board may, at any time and from time to time, amend (including, but not limited to, amendments to the Plan to increase the Purchase Price described in Section 4 of Article V), modify or terminate the Plan, but no such amendment or modification without the approval of the shareholders shall:

(a) increase the maximum number (determined as provided in the Plan) of shares of any class of Common Stock which may be issued pursuant to the Plan;

(b) permit the issuance of any shares of any class of Common Stock at a Purchase Price less than that provided in the Plan as approved by the shareholders;

(c) extend the term of the Plan; or

(d) cause the Plan to fail to meet the requirements of an "employee stock purchase plan" under Section 423 of the Code.

THE PITTSTON COMPANY AND SUBSIDIARIES EXHIBIT 11
COMPUTATION OF EARNINGS PER COMMON SHARE
(In thousands, except per share amounts)

FULLY DILUTED EARNINGS PER COMMON SHARE: (a)

	Quarter Ended March 31,	
	1994	1993
PITTSTON SERVICES GROUP:		
Net income attributed to common shares	$ 10,511	5,414
Average common shares outstanding	37,662	36,558
Incremental shares of stock options	656	223
Pro forma common shares outstanding	38,318	36,781
Fully diluted earnings per common share:	$ 0.27	0.15
PITTSTON MINERALS GROUP:		
Income (loss) before preferred stock dividend requirements	$(74,079)	2,742
Preferred stock dividends	(1,006)	-
Net income (loss) attributed to common shares	$(75,085)	2,742
Average common shares outstanding	7,541	7,312
Incremental shares of stock options (b)	-	44
Pro forma common shares outstanding (b)	7,541	7,356
Fully diluted earnings (loss) per common share:	$ (9.96)	.37

(a) On July 26, 1993, the outstanding shares of The Pittston Company's common stock were redesignated as Pittston Services Group common stock on a share-for-share and a second class of stock, designated as Pittston Minerals Group common stock ("Minerals Stock") was distributed on a basis of one-fifth of one share of Minerals Stock for each share of The Pittston Company's common stock. Accordingly, all common share, stock options and per share data prior to the redesignation has been restated to reflect the new equity structure of The Pittston Company.

(b) The effect of stock options and convertible preferred stock are excluded from the computations when they are antidilutive.

Primary Earnings Per Share:

Primary earnings per share can be computed from the information on the face of the Consolidated Statements of Operations.