

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT WITH RESPECT TO
U. S. STEEL CANADA INC.

MOTION RECORD

**(RE: BOF Stacks Agreements and OPEB Transition Administration Matters Order)
(Returnable September 25, 2017)**

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Tab 1

ONTARIO
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NOTICE OF MOTION

**(Re: BOF Stacks Agreements and OPEB Transition Administration Matters Order
returnable September 25, 2017)**

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Ernst & Young Inc., in its capacity as Monitor (the “**Monitor**”) of U.S. Steel Canada Inc. (“**USSC**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) on September 25, 2017, at a time to be set by the Court, or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order (the “**BOF Stacks Agreements and OPEB Transition Administration Matters Order**”) substantially in the form of the draft order attached as Tab “3” to the Motion Record, among other things:

- (a) approving the form of the BOF Stacks Removal Services Agreement and the BOF Cost Reimbursement Agreement (each as defined below), which relate to the demolition of certain structures on land owned by the Land Vehicle (defined below), and authorizing the LRO (defined below) to cause the Land Vehicle

(including Legacy Lands Hamilton Inc.) to enter into each of those agreements for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.);

- (b) approving the Amended Land Vehicle Budget (defined below) through December 31, 2017, authorizing the Land Vehicle and the LRO on behalf of the Land Vehicle to make any expenditures consistent with the Amended Land Vehicle Budget, and authorizing the Land Vehicle and the LRO on behalf of the Land Vehicle to make one or more draw requests under the Province Land Vehicle Loan (as defined in the Plan) to secure the necessary funds to make such expenditures;
- (c) authorizing the Monitor, after the balance in Sub-Account B (defined below) is paid into the USW Local 1005 ELHT (defined below) on or as soon as practicable after September 30, 2017, to assist the trustees of USW Local 1005 ELHT (defined below) in the administration of benefits payable from the USW Local 1005 ELHT on a temporary basis, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor's assistance is no longer required, substantially on the same terms and basis as the Monitor's duties in connection with the Interim Stelco OPEB Fund (defined below);
- (d) permitting Sub-Account C and Sub-Account D (each as defined below) of the Interim Stelco OPEB Fund to be continued for the provision of OPEBs to Non-USW Retirees and the Legacy Stelco Retirees, respectively, until December 31, 2017, or (i) in respect of Sub-Account C, until such earlier time as the Trustees of the Non-USW ELHT direct the termination of Sub-Account C and payment of the balance of Sub-Account C into the Non-USW ELHT, or (ii) in respect of Sub-Account D, until such time as the Non-USW ELHT, the USW Local 1005 ELHT or the USW Local 8782 ELHT assumes responsibility for the payment of OPEBs to the Legacy Stelco Retirees, at which time Sub-Account D will be terminated; and

(e) approving the Forty-Fifth Report of the Monitor dated September 20, 2017 (the “**Forty-Fifth Report**”) and the activities of the Monitor, including in its capacity as LRO, described therein.

2. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THIS MOTION ARE¹:

Approval of BOF Stacks-Related Agreements

1. On June 27, 2017, the Court issued an order (the “**Interim Land Vehicle Governance Order**”) which, among other things, authorized the appointment of the Monitor as the Interim Land Restructuring Officer (the “**LRO**”) to provide interim temporary governance and administration of the special purpose entity (the “**Land Vehicle**”) that was established in accordance with the Plan to hold USSC’s real property and certain assets that will not be leased by USSC that are not used in steel-making.
2. Prior to June 30, 2017, USSC had engaged a consultant to provide an inspection report in respect of three idled basic oxygen furnace (“**BOF**”) stacks on the Hamilton property that are not used in any current steel-making operations, based on which Stelco concluded that the BOF stacks should be torn-down due to safety concerns which could arise if no action is taken and informed the LRO of the report.
3. After evaluation of all the quotes received with respect to the removal of the BOF stacks, along with a review of supporting references and qualifications, the Land Vehicle entered into negotiations with Budget Environmental Disposal Inc. (“**Budget**”) to remove all three BOF stacks.
4. On September 8, 2017, the Court issued an order (the “**Land Vehicle Budget and BOF Stacks Order**”), which, among other things, authorized the Land Vehicle to proceed with the demolition and removal of the BOF stacks, and authorized the LRO to complete any negotiations, make any arrangements and execute any definitive agreements for and on

¹ Capitalized terms used and not otherwise defined herein have the meanings ascribed thereto in the Plan, the OPEB Administration Transition Order dated June 27, 2017, the Land Vehicle Budget and BOF Stacks Order dated September 8, 2017, and previous reports of the Monitor.

behalf of the Land Vehicle with respect of the demolition and removal of all materials relating to the BOF stacks.

5. The Land Vehicle and Budget have negotiated the BOF Stacks Removal Services Agreement (“**BOF Stacks Removal Services Agreement**”), pursuant to which the Land Vehicle will engage Budget to provide certain services relating to the demolition of the BOF stacks and the removal of all materials relating to the BOF stacks.
6. The Monitor, in its capacity as LRO, is seeking approval of the BOF Stacks Removal Services Agreement, substantially in the form attached as Appendix “A” to the Forty-Fifth Report, and is seeking the authorization of the Court to cause the Land Vehicle (including Legacy Lands Hamilton Inc.) to enter into the BOF Stacks Removal Services Agreement for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.).
7. Stelco has agreed to partially reimburse the Land Vehicle for costs incurred in connection with the demolition of the BOF stacks pursuant to the BOF Stacks Removal Cost Reimbursement Agreement between Stelco and the Land Vehicle (the “**BOF Cost Reimbursement Agreement**”).
8. The Monitor, in its capacity as LRO, is seeking approval of the BOF Cost Reimbursement Agreement, substantially in the form attached as Appendix “B” to the Forty-Fifth Report, and is seeking the authorization of the Court to cause the Land Vehicle (including Legacy Lands Hamilton Inc.) to enter into the BOF Cost Reimbursement Agreement for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.).

Amended Land Vehicle Budget

9. The Land Vehicle Budget and BOF Stacks Order also approved the Land Vehicle’s short term cash flow budget through December 31, 2017.
10. The amended short term cash flow budget through December 31, 2017, attached as Appendix “C” to the Forty-Fifth Report (the “**Amended Land Vehicle Budget**”), reflects

updated outflows and Province Land Vehicle Loan draw requests to address certain contingent liabilities.

11. The Monitor is seeking approval of the Amended Land Vehicle Budget and authorization for the Land Vehicle and the LRO on behalf of the Land Vehicle to make any expenditures consistent therewith, and to make one or more draw requests under the Province Land Vehicle Loan (in addition to the draw requests made in connection with the expenditures authorized by the Land Vehicle Budget and BOF Stacks Order) to secure the necessary funds to make such expenditures.

Interim OPEB Benefits

12. The Plan provided for the creation of new OPEB entities (the “ELHTs”), which were to be funded with a combination of guaranteed fixed annual contributions from USSC and other sources of funds, which would provide a measure of OPEB coverage for the OPEB Beneficiaries going forward.
13. The parties involved in the creation of the ELHTs required additional time to not only finalize these entities, but also to determine the type and level of OPEB benefits that will be provided through the ELHTs going forward.
14. On June 27, 2017, the Court issued an order (the “**OPEB Administration Transition Order**”), which among other things, authorized the establishment of a new fund (the “**Interim Stelco OPEB Fund**”) for a period of three months until September 30, 2017, to provide a measure of benefits to USSC’s former employees and their eligible spouses and beneficiaries (the “**OPEB Beneficiaries**” or “**Retirees**”), and authorized the Monitor to assist in the administration of the Interim Stelco OPEB Fund.
15. The Interim Stelco OPEB Fund contains four sub-accounts:
 - (a) one sub-account for the OPEB Beneficiaries of USW Local 8782 and USW Local 8782(b) (“**Sub-Account A**”);
 - (b) one sub-account for the USW Local 1005 OPEB Beneficiaries (“**Sub-Account B**”);

- (c) one sub-account for the benefit of the Non-USW OPEB Beneficiaries (“**Sub-Account C**”); and
 - (d) one sub-account (“**Sub-Account D**”) for the OPEB Beneficiaries of certain other eligible retirees and survivors that are entitled to benefits under the registered pension plan for USW Local 1005 (defined as the “**Legacy Stelco Retirees**” in the OPEB Transition Administration Order).
16. Under the terms of the OPEB Administration Transition Order, on September 30, 2017 the Interim Stelco OPEB Fund is to be terminated and, after paying out all outstanding eligible claims subject to availability of funds, any remaining monies in Sub-Account A are to be paid into the USW Local 8782 ELHT, any remaining monies in Sub-Account B are to be paid into the USW Local 1005 ELHT, any remaining monies in Sub-Account C are to be paid into the Non-USW ELHT, and any remaining monies in Sub-Account D are to be paid as directed by Stelco.
 17. The representatives of the USW Local 1005 ELHT have requested that, after the balance held in Sub-Account B is paid into the USW Local 1005 ELHT on or as soon as practicable after September 30, 2017, the Monitor assist the trustees of the USW Local 1005 ELHT in the administration of benefits payable from the USW Local 1005 ELHT on a temporary basis, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor’s assistance is no longer required, substantially on the same basis as the Monitor’s duties in connection with the Interim Stelco OPEB Fund.
 18. The Monitor is prepared to continue assisting in the temporary administration of OPEB benefits payable from the USW Local 1005 ELHT, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor’s assistance is no longer required, substantially on the same basis as the Monitor’s duties in connection with the Interim Stelco OPEB Fund.
 19. Further, the representatives of the Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees have requested that Sub-Account C and Sub-Account D of the Interim Stelco OPEB Fund be continued, for the provision of OPEBs to Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees respectively, until December 31, 2017, or (i) in respect of

Sub-Account C, until such earlier time as the Trustees of the Non-USW ELHT direct the termination of Sub-Account C and payment of the balance of Sub-Account C into the Non-USW ELHT, or (ii) in respect of Sub-Account D, until such time as the Non-USW ELHT, the USW Local 1005 ELHT or the USW Local 8782 ELHT assumes responsibility for the payment of OPEBs to the Legacy Stelco Retirees, at which time Sub-Account D will be terminated.

20. The Monitor believes that administering the funds held in Sub-Account C and Sub-Account D in the manner described in the Forty-Fifth Report will be the most efficient means of administering OPEB benefits for the Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees, respectively, for the periods specified in the Forty-Fifth Report.

21. The Monitor also relies on:

- (a) The provisions of the CCAA and the inherent and equitable jurisdiction of this Court;
- (b) Rules 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (c) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

- (a) The Forty-Fifth Report, filed herewith; and
- (b) Such further and other evidence as counsel may advise and this Court may permit.

September 20, 2017

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NOTICE OF MOTION
(Returnable September 25, 2017)

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Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
U. S. STEEL CANADA INC.**

FORTY-FIFTH REPORT OF THE MONITOR

September 20, 2017

INTRODUCTION

1. On September 16, 2014, U. S. Steel Canada Inc. (“USSC”, or the “**Applicant**”) applied for and was granted protection by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies' Creditors Arrangement Act* (Canada) (the “**CCAA**”). Pursuant to an Order, as amended and restated (the “**Initial Order**”) of this Court dated September 16, 2014 (the “**Filing Date**”), Ernst & Young Inc. (“**EY**” or the “**Monitor**”) was appointed Monitor of USSC in the CCAA proceeding.
2. In order to provide information for stakeholders, the Monitor maintains a website with materials relevant to the CCAA proceeding. The website address is www.ey.com/ca/ussc (the “**Monitor's Website**”).

PURPOSE

3. This Forty-Fifth Report of the Monitor (the “**Forty-Fifth Report**”) is filed in connection with a motion seeking an order, among other things:
 - (a) approving the form of the BOF Stacks Removal Services Agreement and the BOF Cost Reimbursement Agreement (each as defined below), which relate to the demolition of certain structures on land owned by the Land Vehicle (defined below), and authorizing the LRO (defined below) to cause the Land Vehicle (including Legacy Lands Hamilton Inc.) to enter into each of those agreements for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.);
 - (b) approving the amended short term cash flow budget attached as Appendix “**C**” to this Forty-Fifth Report, authorizing the Land Vehicle and the LRO on behalf of the

Land Vehicle to make any expenditures consistent with the amended short term cash flow budget, and authorizing the Land Vehicle and the LRO on behalf of the Land Vehicle to make one or more draw requests, under the loan facility established by the Province of Ontario for the Land Vehicle on the Plan Implementation Date (the “**Province Land Vehicle Loan**”), to secure the necessary funds to make such expenditures;

- (c) authorizing the Monitor, after the balance in Sub-Account B (defined below) is paid into the USW Local 1005 ELHT (defined below) on or as soon as practicable after September 30, 2017, to assist the trustees of USW Local 1005 ELHT in the administration of benefits payable from the USW Local 1005 ELHT on a temporary basis, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor’s assistance is no longer required, substantially on the same terms and basis as the Monitor’s duties in connection with the Interim Stelco OPEB Fund (defined below); and
- (d) permitting Sub-Account C and Sub-Account D (each as defined below) of the Interim Stelco OPEB Fund to be continued for the provision of OPEBs to Non-USW Retirees and the Legacy Stelco Retirees, respectively, until December 31, 2017, or (i) in respect of Sub-Account C, until such earlier time as the Trustees of the Non-USW ELHT direct the termination of Sub-Account C and payment of the balance of Sub-Account C into the Non-USW ELHT, or (ii) in respect of Sub-Account D, until such time as the Non-USW ELHT, the USW Local 1005 ELHT or the USW Local 8782 ELHT assumes responsibility for the payment of OPEBs to the Legacy Stelco Retirees, at which time Sub-Account D will be terminated.

TERMS OF REFERENCE AND DISCLAIMER

- 4. Future oriented financial information referred to in this Forty-Fifth Report was prepared based on estimates and assumptions. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
- 5. Capitalized terms not defined in this Forty-Fifth Report are as defined in the order of the Court dated June 27, 2017 (the “**OPEB Administration Transition Order**”) and previous reports of the Monitor.
- 6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND

- 7. Prior to June 30, 2017, USSC was an indirect, wholly-owned subsidiary of United States Steel Corporation (collectively with its subsidiaries, other than USSC and its subsidiaries, “**USS**”).

8. On December 15, 2016, the Court authorized the Applicant to enter into the acquisition and plan sponsor agreement (the “**PSA**”) with Bedrock Industries Canada LLC (the “**Plan Sponsor**” or “**Bedrock**”). In addition, Bedrock was declared to be the Successful Bidder as defined in paragraph 27 of the Sale and Investment Solicitation Process Order dated January 21, 2016 (“**SISP**”).
9. On March 15, 2017, the Court issued an order (the “**Meetings Order**”), which, among other things, authorized and accepted the filing of the plan of compromise, arrangement and reorganization of the Applicant under the CCAA and the CBCA, dated March 15, 2017 (the “**Original Plan**”). In addition, the Meetings Order approved the classes of affected creditors (the “**Affected Creditors**”) under the Original Plan, authorized and directed the Applicant to call, hold and conduct meetings of the two classes of Affected Creditors (the “**Meetings**”) to consider and vote on the Original Plan on April 27, 2017 and set a date for the hearing (the “**Sanction Hearing**”) of the Applicant’s motion for an order, sanctioning the Original Plan (the “**Sanction Order**”).
10. On April 26, 2017, the Court issued an order (the “**Amended Plan Order**”), which among other things, authorized and accepted the filing of the amended and restated plan of compromise, arrangement and reorganization of the Applicant under the CCAA and CBCA, dated April 25, 2017 (the “**First Amended Plan**”), amended the PSA, and amended the support agreement (the “**Province Support Agreement**”) made December 9, 2016 between the Applicant and Her Majesty the Queen in Right of the Province of Ontario (the “**Province**”).
11. Also on April 26, 2017, the Court issued an order (the “**Settlement Approval Order**”), which among other things, approved: (i) the letter of agreement dated April 10, 2017 between Representative Counsel (on behalf of the salaried employees, salaried retirees and all others that Representative Counsel represents), USSC and the Plan Sponsor (the “**Non-USW Support Agreement**”); and (ii) the settlement agreement between Representative Counsel (on behalf of the Non-USW Settlement Creditors (as defined therein)), USSC and the Plan Sponsor (the “**Non-USW Settlement Agreement**”).
12. On April 27, 2017, pursuant to the Meetings Order, the Meetings were held at the Metro Toronto Convention Centre and the First Amended Plan was duly approved by each class of Affected Creditors.
13. On May 8, 2017, the Court granted an Order (the “**Sanction Hearing Date Order**”) which, among other things, (i) set the date for the Sanction Hearing for June 9, 2017, or such later date as is set by the Court; and (ii) ordered certain notice requirements in respect of the Sanction Hearing.
14. On June 9, 2017, the Court issued an order (the “**Second Amended Plan Order**”), which among other things, authorized and accepted the filing of the Second Amended Plan of the Applicant under the CCAA and CBCA, dated June 9, 2017, amended the PSA, and amended the Province Support Agreement. The Original Plan as amended by the First Amended Plan and as further amended by the Second Amended Plan is referred to herein as the “**Plan**”.

15. On June 9, 2017, pursuant to the Sanction Order, the Court sanctioned and approved the Plan.
16. On June 27, 2017, the Court issued an order (the “**Interim Land Vehicle Governance Order**”) which, among other things, authorized the appointment of the Monitor as the Interim Land Restructuring Officer (the “**LRO**”). The Monitor was appointed as LRO to provide interim temporary governance and administration of the special purpose entity (the “**Land Vehicle**”) that was established in accordance with the Plan to hold USSC’s real property and certain assets that will not be leased by USSC that are not used in steel-making. The purpose of the LRO appointment was to facilitate the establishment of the Land Vehicle for the purposes described in the Plan, on the understanding that the definitive governance structure in respect of the Land Vehicle would be fully negotiated and established soon after the date of the Interim Land Vehicle Governance Order.
17. Also on June 27, 2017, the Court issued the OPEB Administration Transition Order, which among other things, authorized the establishment of a new fund (the “**Interim Stelco OPEB Fund**”) for a period of three months until September 30, 2017. The Interim Stelco OPEB Fund would provide a measure of benefits to USSC’s former employees and their eligible spouses and beneficiaries (the “**OPEB Beneficiaries**” or “**Retirees**”), while the new OPEB entities, created in accordance with the Plan, were being fully established. The Monitor was also authorized to assist in the administration of the Interim Stelco OPEB Fund.
18. On June 30, 2017 (the “**Plan Implementation Date**”), USSC implemented the Plan as the restructuring steps and closing payments set out in the Plan were carried out, and each of the conditions for Plan implementation were satisfied or waived by the respective parties. The Plan was certified to have been implemented as of 2:50 p.m. (the “**Effective Time**”). As part of the closing of the transaction, USSC also filed articles of reorganization and was renamed Stelco Inc. (“**Stelco**”).
19. Pursuant to paragraph 68 of the Sanction Order, from and after the Effective Time, all Persons wishing to receive copies of any notices, motions or documents filed in these proceedings were required to serve the Monitor with a Notice of Appearance. While no Person has done so at the present time, the Monitor intends to provide a copy of this Forty-Fifth Report and the motion for the relief referred to in paragraph 3 above to each of the Province, Stelco, Representative Counsel, and USW Locals 1005 and 8782.

LAND VEHICLE UPDATE

BOF Stacks Removal Services Agreement

20. As described in the Forty-Fourth Report of the Monitor dated September 8, 2017 (the “**Forty-Fourth Report**”), prior to June 30, 2017, USSC had engaged a consultant to provide an inspection report in respect of three idled basic oxygen furnace (“**BOF**”) stacks on the Hamilton property that are not used in any current steel-making operations. Based on that report, Stelco concluded that the BOF stacks should be torn-down due to safety concerns which could arise if no action is taken and informed the LRO of the report.

21. After further discussions with Stelco, various potential demolition companies were canvassed and quotes were obtained with respect to the removal of the BOF stacks. After an evaluation of all the received quotes, along with a review of supporting references and qualifications, the Land Vehicle entered into negotiations with Budget Environmental Disposal Inc. (“**Budget**”) to remove all three stacks.
22. On September 8, 2017, the Court issued an order (the “**Land Vehicle Budget and BOF Stacks Order**”), which, among other things, authorized the Land Vehicle to proceed with the demolition and removal of the BOF stacks, and authorized the LRO to complete any negotiations, make any arrangements and execute any definitive agreements for and on behalf of the Land Vehicle with respect of the demolition and removal of the BOF stacks. The Land Vehicle Budget and BOF Stacks Order further provided that the LRO may seek any further directions or orders of the Court as it deems necessary or advisable in connection with the BOF stacks, including in respect of any arrangements or definitive documents with respect to the demolition or removal thereof.
23. Since the date of the Land Vehicle Budget and BOF Stacks Order, the LRO has continued to work with Budget and Stelco to complete the negotiations and finalize definitive agreements relating to the removal of the BOF stacks. Those negotiations have culminated in the BOF Stacks Removal Services Agreement between the Land Vehicle and Budget (“**BOF Stacks Removal Services Agreement**”) pursuant to which the Land Vehicle will engage Budget to provide certain services relating to the demolition of the BOF stacks and the removal of all materials relating to the BOF stacks.
24. The Monitor, in its capacity as LRO, has determined that it is appropriate to seek approval of the BOF Stacks Removal Services Agreement, substantially in the form attached as Appendix “A”, and seek the authorization of the Court to enter into the BOF Stacks Removal Services Agreement. An overview of the salient terms of the BOF Stacks Removal Services Agreement are as follows:
 - (i) Budget will provide all labour, materials, machinery, equipment, tools, transportation and whatever is necessary to perform the services described in Schedule B to the BOF Stacks Removal Services Agreement (the “**Services**”);
 - (ii) title, ownership and risk of loss to all material generated from the Services, including all scrap material and Hazardous Substances generated as part of the dismantling and removal of the BOF stacks will transfer from the Land Vehicle to Budget upon initial removal, dismantling or generation of such material in connection with the Services;
 - (iii) Budget will be responsible for complying with any obligations and requirements under Environmental Laws in connection with the Services;
 - (iv) Budget will obtain and maintain during the term of the BOF Stacks Removal Services Agreement, at its own expense and cost, insurance with limits not less than those specified in the BOF Stacks Removal Services

Agreement as well as such additional insurance coverage as may be required by Applicable Law; and

- (v) the Land Vehicle will pay Budget for the Services as set out in Schedule B to the BOF Stacks Removal Services Agreement, subject to any holdback obligations of the Land Vehicle under Applicable Law.

BOF Stacks Removal Cost Reimbursement Agreement

- 25. In light of the costs incurred by the Land Vehicle in arranging for the demolition of the BOF stacks, Stelco has agreed to partially reimburse the Land Vehicle for costs incurred in connection therewith pursuant to the BOF Stacks Removal Cost Reimbursement Agreement between Stelco and the Land Vehicle (the “**BOF Cost Reimbursement Agreement**”).
- 26. The Monitor, in its capacity as LRO, has determined that it is appropriate to seek approval of the BOF Cost Reimbursement Agreement, substantially in the form attached as Appendix “B”, and seek the authorization of the Court to enter into the BOF Cost Reimbursement Agreement. An overview of the salient terms of the BOF Cost Reimbursement Agreement are as follows:
 - (i) Stelco will pay the Land Vehicle’s costs to complete the removal of the BOF stacks, up to a maximum amount of Forty Thousand Dollars (\$40,000) plus HST (the “**Reimbursement Payment**”);
 - (ii) the Land Vehicle’s exclusive remedy against Stelco for any claim that it may have against Stelco in respect of the Reimbursement Payment will be limited only to a claim for liquidated damages equal to the Reimbursement Payment then outstanding;
 - (iii) regardless of Stelco’s failure to make the Reimbursement Payment, in no event shall Stelco be liable or responsible to the Land Vehicle or any third party in respect of the removal of the BOF stacks; and
 - (iv) Stelco has no obligation to ensure that the removal of the BOF stacks is completed or that any contractor engaged by the Land Vehicle to complete such work is acting in compliance with the terms of the agreement to complete such work.

Amended Land Vehicle Cash Flow Budget

- 27. The Land Vehicle Budget and BOF Stacks Order approved, among other things, the Land Vehicle’s short term cash flow budget through December 31, 2017. An amended short term cash flow budget through December 31, 2017 (the “**Amended Land Vehicle Budget**”) is attached as Appendix “C” to this Forty-Fifth Report. The Amended Land Vehicle Budget reflects updated outflows and Province Land Vehicle Loan draw requests to address certain contingent liabilities. The Amended Land Vehicle Budget has been amended and reviewed

on the same basis as the original short term cash flow budget that was described and attached to the Forty-Fourth Report.

INTERIM OPEB BENEFITS

28. As discussed in the Forty-Second Report of the Monitor dated June 26, 2017 (the “**Forty Second Report**”), the Plan provided for the creation of new OPEB entities (the “**ELHTs**”), which were to be funded with a combination of guaranteed fixed annual contributions from USSC and other sources of funds, which would provide a measure of OPEB coverage for the OPEB Beneficiaries going forward. However, the parties involved in the creation of the ELHTs required additional time to not only finalize these entities, but also to determine the type and level of OPEB benefits that will be provided through the ELHTs going forward.
29. On June 27, 2017, the Court issued the OPEB Administration Transition Order, which among other things, authorized the establishment of a new transition fund (the “**Interim Stelco OPEB Fund**”) for a period of three months until September 30, 2017 and authorized the Monitor to assist in the administration of the Interim Stelco OPEB Fund. The Interim Stelco OPEB Fund would provide benefits to the OPEB Beneficiaries while the ELHTs were being fully established. As described in the OPEB Administration Transition Order, the Interim Stelco OPEB Fund would contain four sub-accounts:
- (a) one sub-account for the OPEB Beneficiaries of USW Local 8782 and USW Local 8782(b) (“**Sub-Account A**”);
 - (b) one sub-account for the USW Local 1005 OPEB Beneficiaries (“**Sub-Account B**”);
 - (c) one sub-account for the benefit of the Non-USW OPEB Beneficiaries (“**Sub-Account C**”); and
 - (d) one sub-account (“**Sub-Account D**”) for the OPEB Beneficiaries of certain other eligible retirees and survivors that are entitled to benefits under the registered pension plan for USW Local 1005 (defined as the “**Legacy Stelco Retirees**” in the OPEB Transition Administration Order).
30. Schedules attached to the OPEB Administration Order outlined the OPEBs that were to be provided from Sub-Account B, Sub-Account C and Sub-Account D for their respective groups of OPEB Beneficiaries. Additionally, Schedule “B” of the OPEB Administration Transition Order specified that without further Order of the Court, the Monitor and Green Shield could give written consent for any additional OPEBs requested for USW Local 1005 OPEB Beneficiaries, by the retiree committee for USW Local 1005, from their sub-account. In mid-July 2017, the retiree committee for USW Local 1005 requested the ability to allow coordination of benefits for USW Local 1005 Beneficiaries with other benefit coverage (excluding the Ontario Drug Benefit program). Both the Monitor and Green Shield granted this request.

31. As discussed in the Forty-Fourth Report, the Monitor and Green Shield continue to receive claims from the OPEB Beneficiaries and continue to work together to process them in accordance with the terms outlined in the establishment of the Interim Stelco OPEB Fund.
32. The Monitor understands from Green Shield that there are some funds remaining in each of the sub-accounts.
33. Under the terms of the OPEB Administration Transition Order, on September 30, 2017 the Interim Stelco OPEB Fund is to be terminated and, after paying out all outstanding eligible claims subject to availability of funds, Green Shield was to pay, pursuant to the OPEB Administration Transition Order, any remaining monies in Sub-Account A into the USW Local 8782 ELHT, any remaining monies in Sub-Account B into the USW Local 1005 ELHT, any remaining monies in Sub-Account C into the Non-USW ELHT, and any remaining monies in Sub-Account D as directed by Stelco.
34. To ensure that claims for OPEB benefits are processed in a timely and cost-effective manner after September 30, 2017, the representatives of the USW Local 1005 ELHT have requested that, after the balance held in Sub-Account B is paid into the USW Local 1005 ELHT on or as soon as practicable after September 30, 2017, the Monitor assist the trustees of the USW Local 1005 ELHT in the administration of benefits payable from the USW Local 1005 ELHT on a temporary basis, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor's assistance is no longer required, substantially on the same terms and basis as the Monitor's duties in connection with the Interim Stelco OPEB Fund.
35. The Monitor is prepared to continue assisting in the temporary administration of OPEB benefits payable from the USW Local 1005 ELHT, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor's assistance is no longer required, substantially on the same basis as the Monitor's duties in connection with the Interim Stelco OPEB Fund, provided that it is authorized by the Court to do so.
36. Further, the representatives of the Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees have requested that Sub-Account C and Sub-Account D of the Interim Stelco OPEB Fund be continued, for the provision of OPEBs to Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees, respectively, until December 31, 2017, or (i) in respect of Sub-Account C, until such earlier time as the Trustees of the Non-USW ELHT direct the termination of Sub-Account C and payment of the balance of Sub-Account C into the Non-USW ELHT, or (ii) in respect of Sub-Account D, until such time as the Non-USW ELHT, the USW Local 1005 ELHT or the USW Local 8782 ELHT assumes responsibility for the payment of OPEBs to the Legacy Stelco Retirees, at which time Sub-Account D will be terminated.
37. With respect to Sub-Account D, on October 1, 2017, the Monitor will transfer up to a maximum amount of \$20,000 of the proceeds it is holding pursuant to the Provincial OPEB Credit Facility into Sub-Account D for the provision of OPEBs to Legacy Stelco Retirees. Any monies remaining in Sub-Account D on December 31, 2017, or the earlier date of termination, will be paid as directed by Stelco, provided that such monies are to be used to provide OPEBs for Legacy Stelco Retirees.

38. The Monitor believes that administering the funds held in Sub-Account C and Sub-Account D in the manner described above will be the most efficient means of administering OPEB benefits for the Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees, respectively, for the periods specified above.
39. As set out in the OPEB Administration Transition Order, the Monitor's fees and costs in connection with the Interim Stelco OPEB Fund are paid by Stelco from the Administration Reserve, which was approved by the Court in the Sanction Order, and subsequently increased pursuant to the Interim Land Vehicle Governance Order for, among other reasons, payment of fees and costs associated with such additional duties of the Monitor.
40. Subject to Court approval, the Monitor will continue performing certain services described in this Forty-Fifth Report. Accordingly, the Monitor is requesting that its fees and costs (including any fees and costs of its counsel) continue to be paid from the Administration Reserve in connection with (i) assistance provided to the USW Local 1005 ELHT and its trustees between October 1, 2017 and December 31, 2017, and (ii) the continuation of Sub-Account C and Sub-Account D of the Interim Stelco OPEB Fund until December 31, 2017 or earlier date of termination. However, taking into account the duration of time that has already been afforded to the ELHTs since the Plan Implementation Date, the Monitor requests that the USW Local 1005 ELHT and the Non-USW ELHT be required to reimburse the Administration Reserve for such ongoing fees and costs by January 31, 2018, on a pro-rata basis based upon the relative numbers of beneficiaries of each ELHT for the relevant period that the Monitor is providing services, or on such other basis as may be agreed upon between USW Local 1005 ELHT, Non-USW ELHT and Stelco, or as ordered by the Court.

RECOMMENDATIONS OF THE MONITOR

41. Based on the foregoing, the Monitor recommends that the Court:
- (a) approve the form of the BOF Stacks Removal Services Agreement and the BOF Cost Reimbursement Agreement, and authorize the LRO to cause the Land Vehicle (including Legacy Lands Hamilton Inc.) to enter into each of the BOF Stacks Removal Services Agreement and the BOF Cost Reimbursement Agreement, for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.), should the Court see fit to do so;
 - (b) approve the Amended Land Vehicle Budget, authorize the Land Vehicle and the LRO on behalf of the Land Vehicle to make any expenditures consistent with the Amended Land Vehicle Budget, and authorize the Land Vehicle and the LRO on behalf of the Land Vehicle to make one or more draw requests under the Province Land Vehicle Loan to secure the necessary funds to make such expenditures, should the Court see fit to do so;
 - (c) authorize the Monitor to assist the trustees of USW Local 1005 ELHT in the administration of benefits payable from the USW Local 1005 ELHT, on a temporary basis, from October 1, 2017 to December 31, 2017 or until such earlier date as the

Monitor's assistance is no longer required, substantially on the same terms and basis as the Monitor's duties in connection with the Interim Stelco OPEB Fund, should the Court see fit to do so; and

- (d) permit Sub-Account C and Sub-Account D (each as defined below) of the Interim Stelco OPEB Fund to be continued for the provision of OPEBs to Non-USW OPEB Beneficiaries and the Legacy Stelco Retirees, respectively, until December 31, 2017, or (i) in respect of Sub-Account C, until such earlier time as the Trustees of the Non-USW ELHT direct the termination of Sub-Account C and payment of the balance of Sub-Account C into the Non-USW ELHT, or (ii) in respect of Sub-Account D, until such time as the Non-USW ELHT, the USW Local 1005 ELHT or the USW Local 8782 ELHT assumes responsibility for the payment of OPEBs to the Legacy Stelco Retirees, and grant the related relief requested in the Monitor's motion, should the Court see fit to do so.

All of which is respectfully submitted, this 20th day of September, 2017.

ERNST & YOUNG INC.

**Solely in its role as Court-appointed Monitor
of USSC and as LRO, and not in its personal capacity**

Per:



Alex Morrison, CPA, CA
Senior Vice President

Tab A

Appendix "A"
BOF Stacks Removal Services Agreement

**BOF STACKS REMOVAL
SERVICES AGREEMENT**

Made as of September , 2017

Between

**Legacy Lands Hamilton Inc.
("Landco")**

and

**Budget Environmental Disposal Inc.
("Service Provider")**

BOF STACKS REMOVAL SERVICES AGREEMENT

This Agreement is made as of September , 2017, between

Legacy Lands Hamilton Inc.
 ("Landco")

and

Budget Environmental Disposal Inc.
 ("Service Provider")

RECITALS

- A. Landco is the owner of the BOF Stacks and the Lands on which the BOF Stacks are located;
- B. Landco wishes to engage the Service Provider to provide services relating to the demolition of the BOF Stacks and the removal of all materials relating to the BOF Stacks from the Lands;
- C. Service Provider has agreed to provide those services pursuant to the terms of this Agreement.

FOR VALUE RECEIVED, the Parties agree as follows:

ARTICLE 1 — INTERPRETATION

Section 1.1 Definitions

For the purpose of this Agreement, including the Schedule hereto, the following terms shall have the following meanings, respectively:

- (1) "**Agreement**" means this agreement, including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time.
- (2) "**Applicable Laws**" means any and all applicable law (statutory, common law or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, enacted, adopted, promulgated or applied by a governmental entity that is binding upon or applicable to any person or its business, undertaking, property or securities.
- (3) "**BOF Stacks**" means the precipitator stacks described in the Globex Report.
- (4) "**Engineering Drawing**" means the Stelco Steel Precipitator Stack engineering drawing, dated January 31, 1990, Sandwell Swan Wooster Inc., (Drawing 612526)
- (5) "**Environmental Laws**" means all Applicable Laws relating to the protection or enhancement of the environment, public and occupational health and safety.
- (6) "**Globex Report**" means the Globex Inspection Services Inc. Report entitled Precipitator Stacks 1, 2, 3 Hamilton Works BOF, Inspection Report March 22, 2017, attached hereto as Schedule "A".
- (7) "**Hazardous Substance**" means any material or substance that is regulated under any Environmental Laws, including any substance or material that is defined as, deemed to be or

regulated as a contaminant, a source of contaminant, a pollutant, a waste, a hazardous or subject waste, a dangerous good, a toxic or deleterious substance, any includes any breakdown and related substances.

- (8) **"Lands"** means the lands known municipally as 386 Wilcox Street, Hamilton, Ontario.
- (9) **"Parties"** or **"parties"** means the parties to this Agreement and **"Party"** or **"party"** means any one of the Parties.

Section 1.2 Interpretation

- (1) The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (2) The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto.
- (3) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections and further subdivisions of sections of this Agreement.
- (4) Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including without limitation."
- (5) Unless otherwise specifically provided in this Agreement, each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

Section 1.3 Schedules

The following schedules are annexed to this Agreement and incorporated by reference and deemed to be part hereof:

Schedule "A" – **Globex Report
Engineering Drawing
Safety Data Sheet for BOF Electrostatic Precipitator Dust**

Schedule "B" – **Services**

In the case of any conflict between the terms and conditions of the Agreement and a Schedule, the terms and conditions of the Agreement will prevail.

ARTICLE 2 — SERVICES

Section 2.1 Services

- (1) Service Provider agrees to provide services to Landco as described in Schedule B to this Agreement (the "Services"). All references to Service Provider shall include any subcontractor used by Service

Provider for the Services, and Service Provider shall be responsible for ensuring any subcontractor complies with all requirements under this Agreement.

- (2) Service Provider shall perform the Services with the professional skill, care and diligence customarily applied by qualified and experienced professionals performing such services, including taking into account the significant expertise and experience required given the nature of the Services.
- (3) Service Provider has reviewed the documents provided in Schedule A and has satisfied itself as to any and all matters and risks associated with the BOF Stacks and the Services. Service Provider agrees to be responsible for, and knowingly and voluntarily assumes all risk of injury and damage to Service Provider's or Landco's property, employees, subcontractors and other persons in connection with the performance of the Services.

Section 2.2 Labour and Equipment

Services Provider shall provide all labour, materials, machinery, equipment, tools, transportation and whatever is necessary to perform the Services in accordance with this Agreement. All equipment utilized by Service Provider, whether owned or leased by Service Provider, shall be in good working order and shall meet the requirements of and be operated in accordance with all Applicable Laws and any relevant manufacturers' codes and instructions.

Section 2.3 Designated Substances Report / Hazardous Substances

Prior to this Agreement, Service Provider and Landco conducted an examination of the BOF Stacks for the presence of any asbestos or asbestos-containing materials (collectively, "ACM") and confirmed that the insulation at the base of the stacks was fibreglass that did not contain any ACM.

Landco has no other information with respect to the presence of designated substances, as that term is used in Environmental Law, associated with the BOF Stacks.

Landco is aware that there could be residual BOF Electrostatic Precipitator Dust in the BOF Stacks. A copy of the Safety Data Sheet for the BOF Electrostatic Precipitator Dust is included in Schedule A.

Service Provider shall take all steps required under Environmental Law if any designated substances or other hazardous substances are identified in the BOF Stacks during the Services and shall be solely responsible for taking all measures required under Environmental Law with respect to any such substances that are identified, including, for greater certainty, all measures for the protection of a worker.

Section 2.4 Title/Risk of Loss

Title, ownership and risk of loss to all material generated from the Services, including all scrap material and Hazardous Substances generated as part of the dismantling and removal of the BOF Stacks, shall transfer from Landco to Service Provider upon the initial removal, dismantling or generation of such material in connection with the Services. For greater certainty, Service Provider shall obtain and have title, ownership and risk of loss for all materials or Hazardous Substances, including all waste materials or materials that are waste or deemed to be waste, including which may be temporarily stored at the Lands or that are transported from the Lands in connection with the Services.

ARTICLE 3 COMPLIANCE WITH LAW AND ENVIRONMENTAL MATTERS

Section 3.1 Compliance with Law

- (1) Service Provider agrees to perform the Services in accordance with all Applicable Laws, including Environmental Laws, the terms of this Agreement and, without any obligation on Landco to provide any or to be responsible for same, any Landco policies or procedures provided to Service Provider in relation to the Services.
- (2) Service Provider shall, at its sole cost, obtain all approvals, permits or other authorizations and provide any notice or registration required under Applicable Laws in connection with the Services, and shall comply with all such approvals, permits, authorizations, notices and registrations. If requested, Service Provider shall provide copies of such approvals, permits, authorizations, notices and registrations.

Section 3.2 Environmental and Occupational Health and Safety Matters

- (1) Service Provider shall be responsible for complying with any obligations and requirements under Environmental Laws in connection with the Services. Without limiting the generality of the foregoing:
 - (a) The safety of Service Provider's and Landco employees, and others who may be present during the conduct of the Services, and the protection of the environment, are of primary importance and must not be compromised by Service Provider. Service Provider agrees to provide a safe work environment for all workers and others present, and to take all reasonable care to protect and conserve the environment.
 - (b) Service Provider shall comply with all obligations and requirements related to occupational health and safety matters, including as the constructor or otherwise as applicable. Service Provider shall make any notification to the Ministry of Labour required by Environmental Laws, and shall in addition to satisfying any reporting obligations to the Ministry of Labour, Service Provide shall immediately notify Landco of any accident or injury incurred in connection with the Services.
 - (c) Service Provider shall not cause or permit any Hazardous Substance to be generated, stored, transported, treated, disposed of, handled or processed on the Lands except in strict compliance with Environmental Law.
 - (d) Service Provider shall not cause or permit the release, deposit or disposal of any Hazardous Substance through any sewage or drainage works at the Lands.
 - (e) If there occurs any discharge, spill, deposit or other release of a Hazardous Substance at or from the Lands in connection with the Services that is not in strict compliance with Environmental Law or that requires reporting to any governmental entity pursuant to Environmental Law, then Service Provider shall: (i) complete any reporting or notification required under Environmental Law in a timely manner; (ii) immediately notify Landco of same and provide reasonable particulars of the incident and (iii) promptly cleanup or remove any Hazardous Substance that was released and restore the Lands and any other lands impacted.

- (f) Service Provider shall be solely responsible for the collection, storage, handling, classification, transportation and disposal of any waste, including any hazardous waste or subject waste, generated in connection with the Services in strict compliance with Environmental Laws and in a manner that does not result in a nuisance or an untidy condition at the Lands. Service Provider, and not Landco, is the generator or consignor, as applicable, of any material, including any waste, that is generated in connection with the Services and Service Provider will be identified as such on any waste manifest or other shipping document in connection with such materials.
- (g) Service Provider shall ensure that any dust or particulate matter resulting from the Services is minimized and in any event, does not create a nuisance or risk to the Lands or occupants of the Lands.

ARTICLE 4 REPRESENTATIONS OF SERVICE PROVIDER

Service Provider represents and warrants to Landco, with full knowledge that Landco is acting in reliance on such representations and warranties in executing this Agreement and would not enter this Agreement without same, that: (i) Service Provider has the expertise, experience and ability to perform the Services with the professional skill, care and diligence required to do so safely, in compliance with Applicable Laws; (ii) all employees, agents and subcontractors performing the Services have the experience, skills, ability and necessary training and qualifications required, all of which is documented, to perform the Services; and (iii) Service Provider has all appropriate resources, including equipment, vehicles and work procedures to ensure the completion of the Services in a safe manner and in compliance with this Agreement.

ARTICLE 5 — INSURANCE

Section 5.1 Insurance

- (1) Service Provider shall obtain and maintain during the Term at its own expense and cost the following insurance with limits not less than those specified in the respective items, as well as such additional insurance coverage as may be required by Applicable Law:

Coverage	Policy Limit
Commercial General Liability, Personal Injury Liability	\$2,000,000
Commercial Umbrella Liability	\$13,000,000
Commercial Automobile Liability	\$5,000,000
Contractors Pollution Liability including asbestos removal	\$5,000,000

- (2) Service Provider agrees that the insurance requirements contained in this Agreement shall not limit the obligations or liabilities of the Service Provider under this Agreement.

- (3) Service Provider shall provide certificates of insurance issued by a recognized and reputable insurer demonstrating compliance with the insurance requirements provided in Article 3 within ten (10) days of the date of this Agreement and in any event, prior to the commencement of the Services.
- (4) Service Provider shall provide Landco with a thirty (30) day prior written notice of any lapse, cancellation or material modification of any such insurance policies.
- (5) The insurance provided by Service Provider pursuant to this Article 5 shall be primary and not contributory to any policies of insurance maintained by Landco.

ARTICLE 6 — LIABILITY AND INDEMNIFICATION

- (1) Service Provider shall:
 - (a) be liable for and shall reimburse Landco, its officers, directors, agents, employees, representatives and contractors promptly for any and all losses, costs, damages and expenses whatsoever (including without limitation, legal fees on a solicitor-client basis) which Landco may suffer, sustain, incur or pay, whether a claim has been made, a proceeding commenced or a judgment or order issued; and
 - (b) indemnify and hold harmless Landco, its officers, directors, agents, employees, representatives and contractors from and against any and all actions, claims, demands, liabilities, losses, costs, damages, expenses (including without limitation, legal fees on a solicitor-client basis), obligations and causes of action of every kind and nature whatsoever that may be asserted,

resulting from damages or injuries, including death, to any person or property, including the presence or spill, discharge or other release of Hazardous Substances, any claims or liens, in each case arising out of or in the course of the Services, caused by or resulting from the acts or omissions of, or the breach of this Agreement by Service Provider or its agents, employees or representatives, whether in connection with the performance, purported performance or non-performance of the Services or in compliance with its or their obligations, except to the extent same results from the gross negligence or willful misconduct of Landco.

- (2) The provisions of this Article 6 shall survive the termination of this Agreement.

ARTICLE 7 — FEES AND PAYMENT TERMS

Section 7.1 Payment

- (1) Landco agrees to pay Service Provider for the Services as set out in Schedule B, which shall be subject to any holdback obligations of Landco under Applicable Law.
- (2) Landco agrees that if the Service Provider identifies any liquid wastes that are entrained in the BOF Stacks or any other material in the BOF Stacks that is required to be disposed of as a subject waste in accordance with Regulation 347 (General – Waste Management) under the *Environmental Protection Act*, that such disposal costs shall be borne by Landco and are not included in the Service Provider's fees set out in Schedule B. If such subject waste materials are identified as part of the BOF Stacks, the Service Provider shall notify Landco and the parties shall jointly determine an acceptable disposal plan.

ARTICLE 8 MISCELLANEOUS

Section 8.1 No Liens

Service Provider shall pay for all services and materials utilized by Service Provider in performing the Services and if a claim for lien arising from the performance of the Services is registered against the Lands, Service Provider shall, within 10 calendar days, at its sole expense, vacate or discharge the lien from title to the Lands. Should Service Provider fail or refuse to vacate or discharge the lien from title, Landco shall have the right to vacate or discharge the lien from title at the Service Provider's expense. The Service Provider shall, if requested, undertake Landco's defence in any action commenced in respect of a claim for lien at the Service Provider's sole expense. Service Provider shall indemnify Landco and hold Landco harmless from and against any cost, loss or damages arising as a result of the Service Provider's failure to pay for services and materials utilized or any claim for lien arising out of the performance of the Services.

Section 8.2 Further Assurances

Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

Section 8.3 Notices

Unless otherwise specified, each Notice to a Party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by electronic transmission to the Party as follows:

if to Landco:

Name:	c/o Ernst & Young Inc., as Court-appointed Interim Land Restructuring Officer
Address:	100 Adelaide St. W. Toronto, ON M5H 0B3
Attention:	Alex Morrison and David Saldanha
Fax No.:	416-943-3300
E-mail:	alex.f.morrison@ca.ey.com; david.saldanha@ca.ey.com

with a copy to

If to Service Provider

Name:	Budget Demolition
Address:	375 Gage Avenue Hamilton, ON L8L 7B1
Attention:	Ian Bartels
E-mail:	ian@budgetbin.ca

or to any other address, fax number, e-mail address or Person that a Party designates. Any Notice, if delivered personally or by courier, will be deemed to have been given when actually received, if transmitted by fax before 3:00 p.m. on a Business Day, will be deemed to have been given on that Business Day, if transmitted by fax after 3:00 p.m. on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission and if transmitted by e-mail, will be deemed to have been given on the Business Day when the Notice becomes capable of being retrieved.

Section 8.4 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

Section 8.5 Entire Agreement

This Agreement and the attached schedules constitute the entire agreement between the Parties with respect to the subject matter set out in this Agreement and supersede all prior negotiations and understandings. No provision may be amended or waived except in writing as detailed in Section 8.7.

Section 8.6 Severability

Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable and shall be ineffective to the extent of such invalidity or unenforceability without affecting any other provision of this Agreement, and the Parties, acting reasonably, shall negotiate an amendment to this Agreement to replace the severed provision with a replacement therefor, so as to give effect, to the extent possible, to the original intent of the severed provision.

Section 8.7 Amendments or Waiver

- (1) No modification of or amendment to this Agreement shall be valid or binding unless it is in writing and executed by the Parties.
- (2) The failure of a Party to require performance of any provision of this Agreement by the other Party at any time shall not affect the full right of the Party to require such performance at any time thereafter.
- (3) No waiver of any breach of any provision of this Agreement shall be effective or binding unless it is in writing and signed by the Party purporting to give the same.
- (4) No waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach of any provision of this Agreement.

Section 8.8 Relationship of Parties

- (1) This Agreement is not intended to create a partnership between the Parties.
- (2) Neither Party constitutes the other Party as its agent, partner, joint venturer or legal representative and neither Party has express or implied authority to bind the other Party in any manner whatsoever.
- (3) Neither Party has any authority over the business, policies or procedures of the other Party.

Section 8.9 Counterparts and Electronic Transmission

- (1) This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be an original and all of which taken shall constitute one and the same document.
- (2) The electronic transmission of a copy of this Agreement duly executed by the transmitting Party shall constitute effective delivery by the transmitting Party of an executed copy of this Agreement

to the receiving Party but the transmitting Party shall forthwith deliver an originally executed copy of this Agreement to the receiving Party.

Section 8.10 Court Approval

Execution and delivery of this Agreement by Landco and the obligations of Landco hereunder, including the removal of the BOF Stacks, shall be subject to approval thereof by the Ontario Superior Court of Justice.

Section 8.11 Assignability; Enurement

This Agreement may not be assigned by either Party. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors.

Section 8.12 No Third Party Beneficiaries

This Agreement is solely for the benefit of the Parties and this Agreement does not confer and will not be deemed to confer on or give to any other Person any benefit, claim or other right or remedy.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first written above.

LEGACY LANDS HAMILTON INC.

by: **ERNST & YOUNG INC.**, in its capacity as court-appointed Interim Land Restructuring Officer and not in its personal capacity and without personal liability or recourse to its assets

Per: _____
Name:
Title:

I have the authority to bind the corporation.

SERVICE PROVIDER

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

SCHEDULE "A"

- **GLOBEX REPORT**
- **ENGINEERING DRAWING**
- **SAFETY DATA SHEET – ELECTROSTATIC PRECIPITATOR DUST**



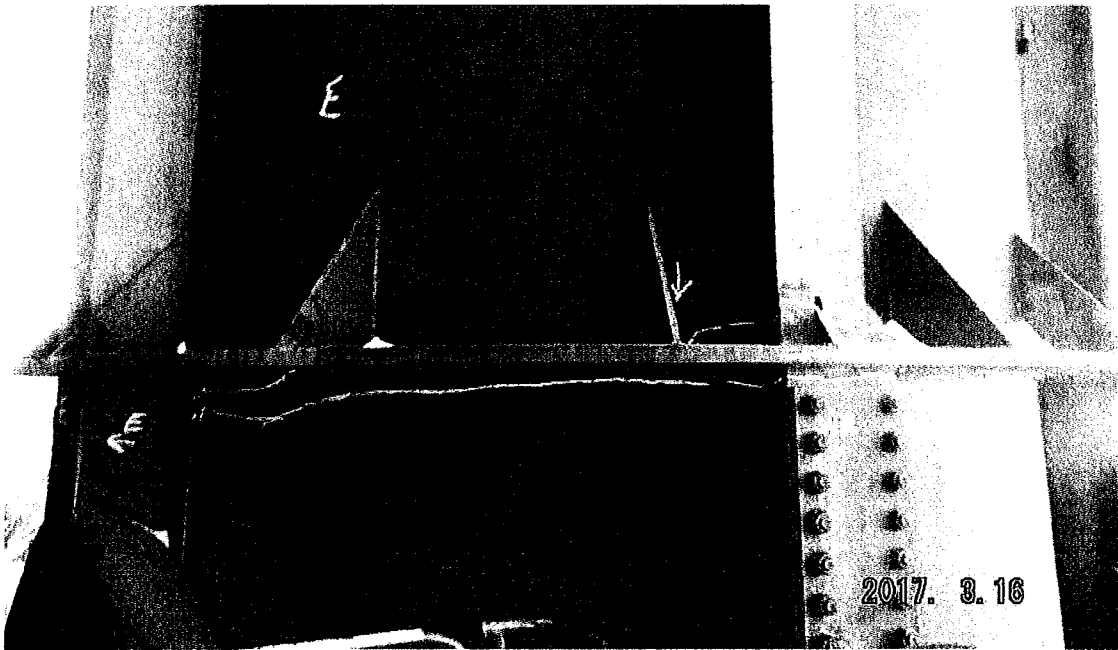
Precipitator Stacks 1, 2, 3
Hamilton Works BOF
Inspection Report March 22, 2017



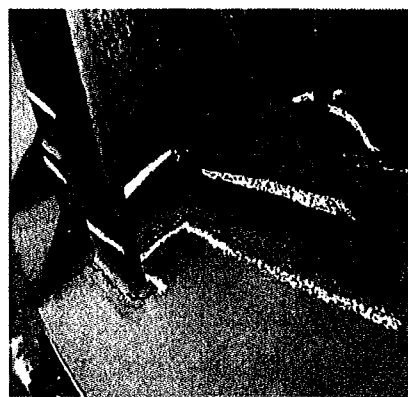
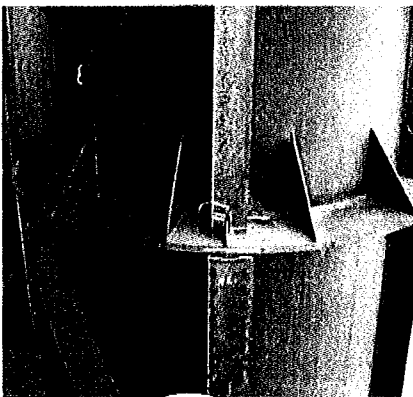
Stack #1

The stack #1 (North) appears to have the most damage at the time of the inspection. The following is an outline of the reported findings. Beginning at the Duct to stack connection on the North-east side and rotating about the stack counterclockwise.

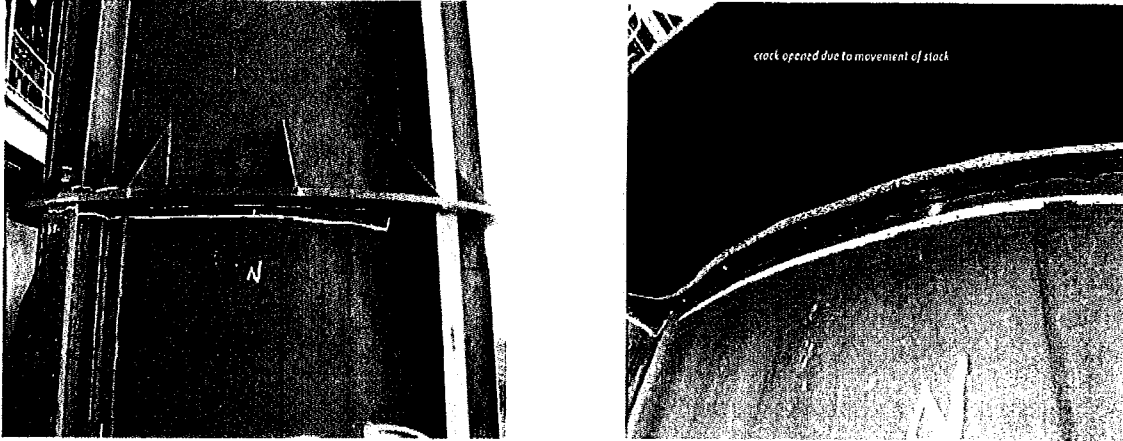
At approximate elevation 148'-3 below the 15"x1 1/4" stiffener ring from the East vertical stiffener W12 the stack shell is cracked to the North-east vertical stiffener.



At the North-east vertical stiffener to the 15" x 1 1/4" stiffener ring the welds, flange, web and gussets B/s are cracked on the upper side and the shell crack continues behind on the lower side. The Flanges and web are also cracked on the lower side of the stiffener ring.



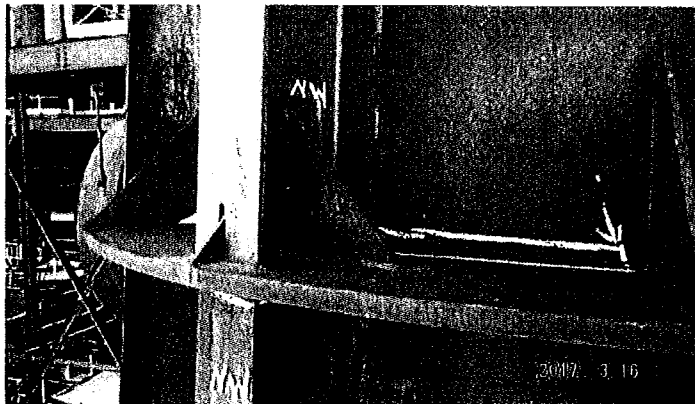
The shell crack continues on the underside of the stiffener ring from the North-east to North North-west vertical stiffener.



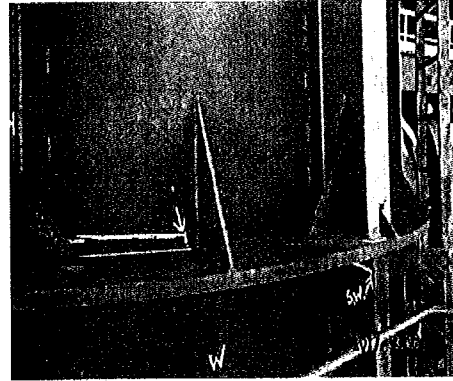
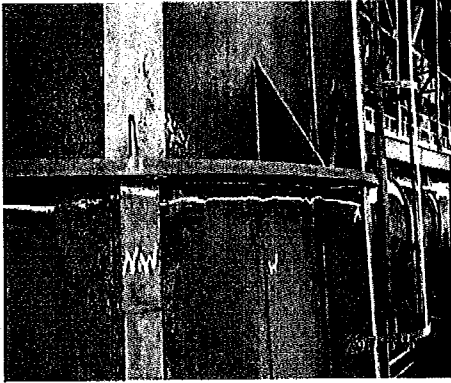
The shell crack continues through the web section and connection welds of the North-west stiffener.



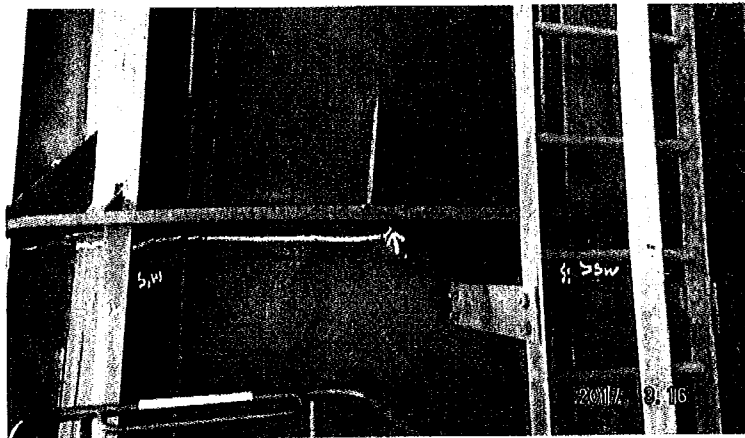
The shell crack migrates to the upper weld of the ring stiffener at the North-west vertical stiffener.



The shell crack continues from the North-west vertical stiffener under the ring stiffener along the West side to the South-west vertical stiffener, and through the web of the South-west vertical and flange to stiffener ring upper side..



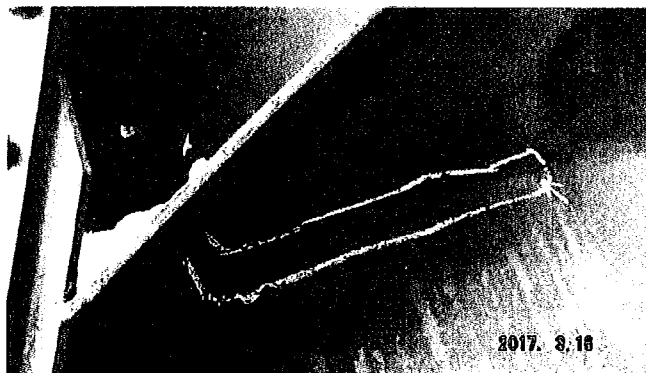
The shell crack then continues past the South-west vertical stiffener on the underside of the stiffener ring approximately two (2) feet for a total length of approximately twenty-five (25) feet overall.



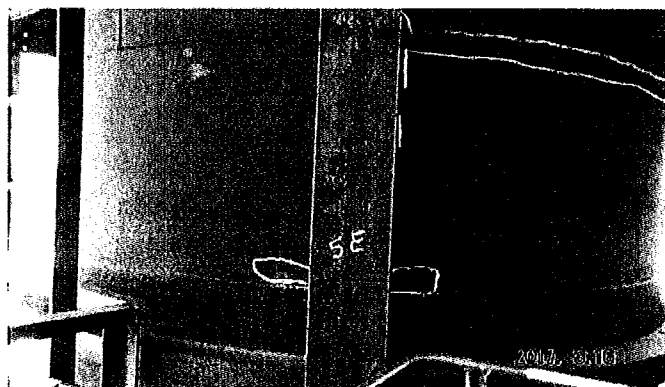
At the South-west vertical stiffener B/S at the next level ring there are cracks at the shell approximately eight (8) inches on either side of the vertical.



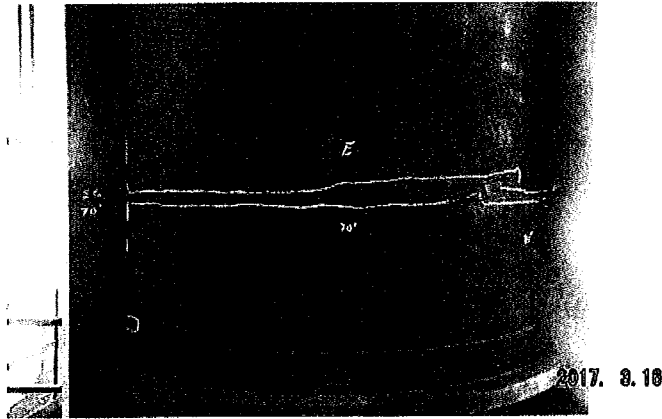
At the South-east side of the stack at the duct transition the weld is cracked approximately thirty (30) inches, horizontal.



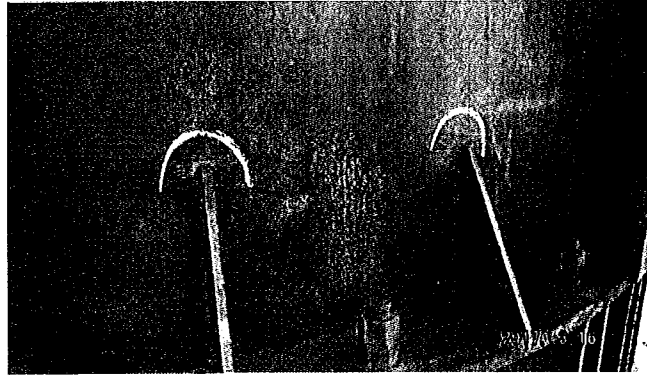
At the South-east vertical stiffener at the first channel stiffener above the 15" x 1 1/4" stiffener ring (66 feet) there is a shell crack eight to twelve (8 – 12) inches on either side and behind the stiffener and through the web..



At approximately seventy (70) feet from grade on the East side of the stack there is a shell crack from the South-east to the North-east vertical stiffeners.

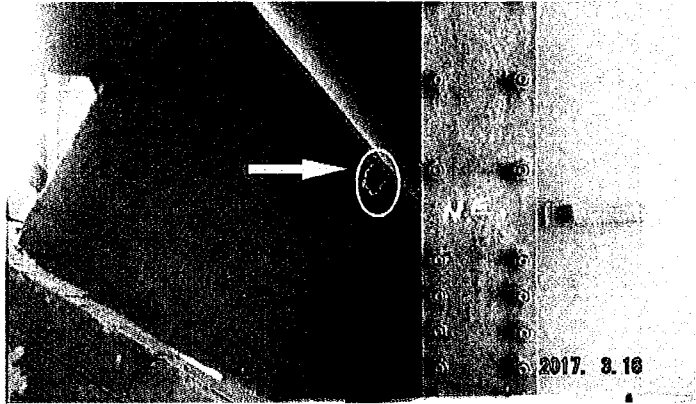


At the base of the stack on the West side, at the top of two (2) stiffener gussets there are horizontal cracks in the stack shell approximately four (4) inches long.

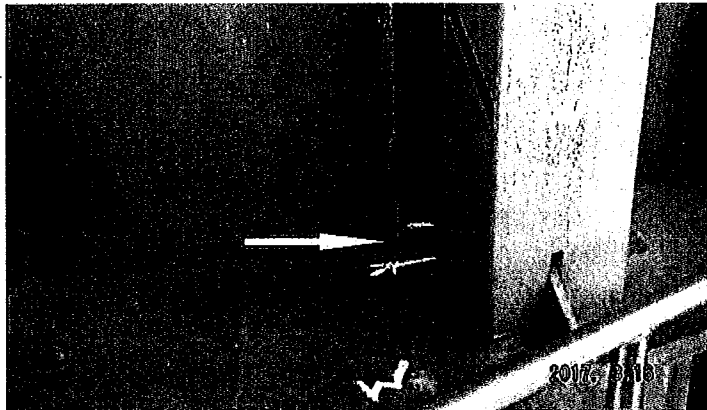


Stack #2 (middle)

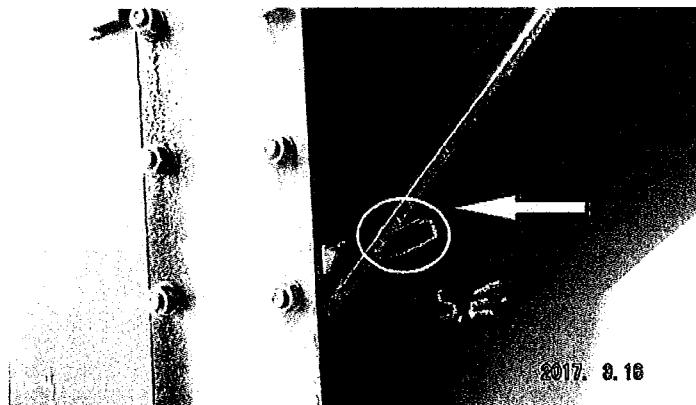
At the North-east vertical stiffener the duct to stack transition shows a crack in the duct.



At the West vertical stiffener the flange weld to the 15" x 1 1/4" ring stiffener there is a crack.

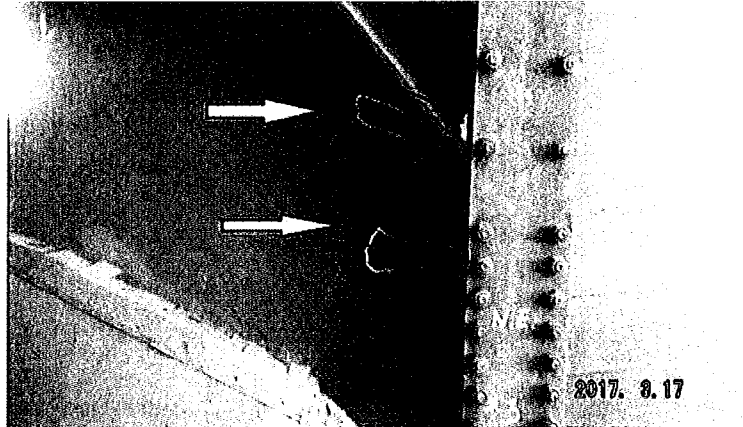


At the South-east vertical stiffener the duct to stack transition weld is cracked six (6) inches.

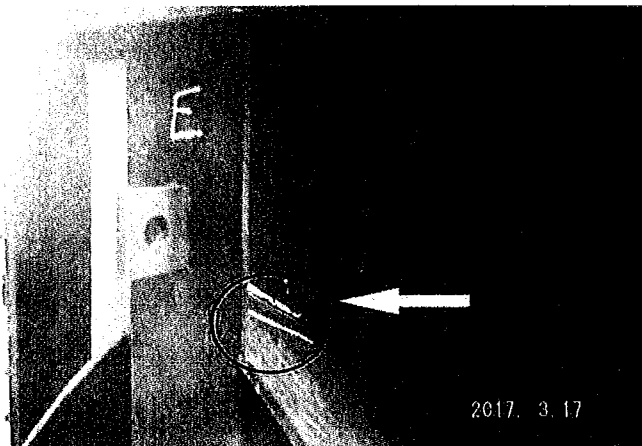


Stack # 3 (South)

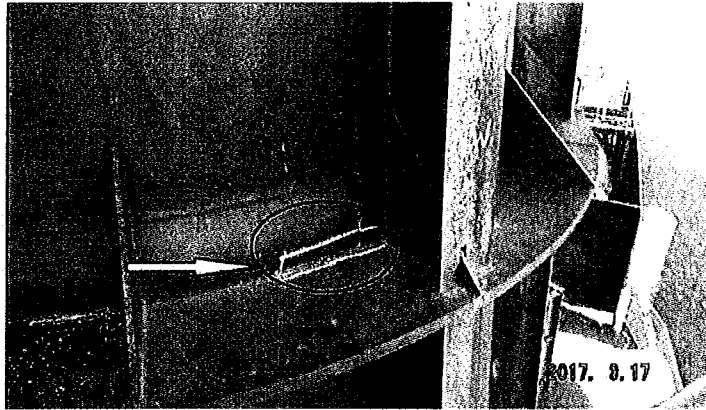
At the North-east vertical stiffener, the duct to stack transition shows two (2) cracks – fifteen (15) inches in a previous weld repair and ten (10) inches at the transition.



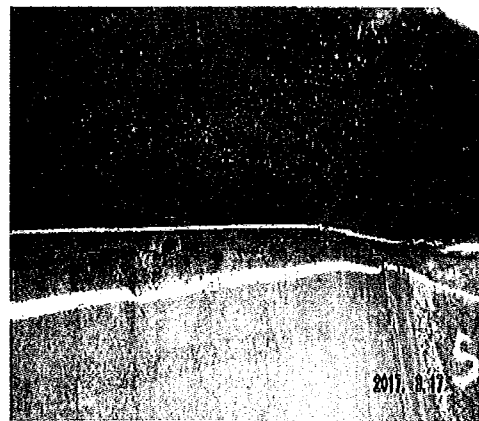
At the top of the North-east flute stiffener plate the weld is cracked 100% at the vertical stiffener web.



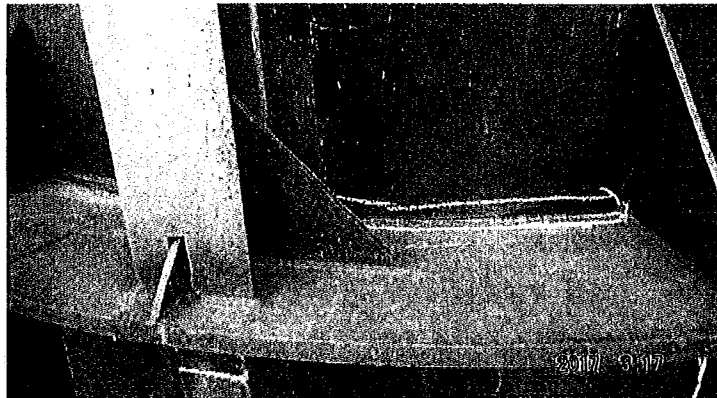
At the North-west vertical stiffener (approximate 148'-3" elevation) the ring stiffener to stack shell weld is cracked (overplate previous repair?) both top and underside.



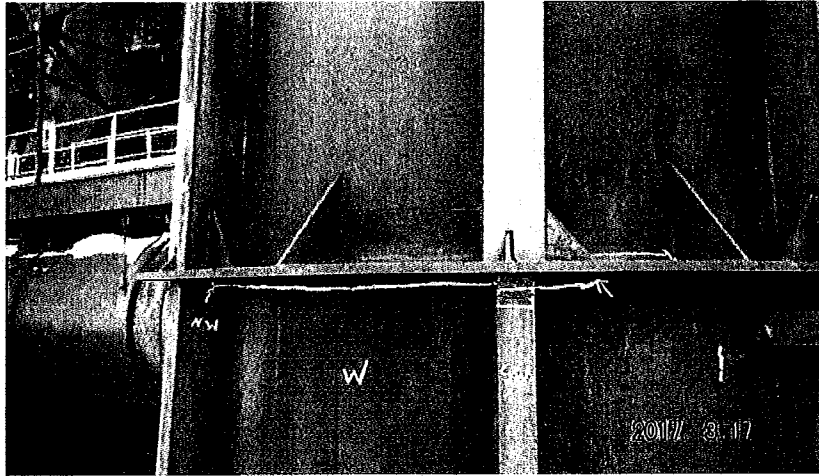
At the West side of the stack the stack shell, vertical stiffeners NNw and SW are cracked on the underside of the ring stiffener plate approximately seven (7) feet.



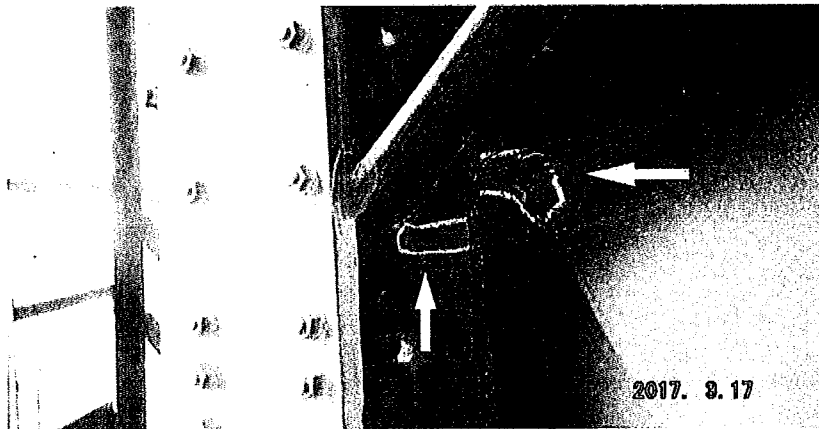
At the South-west vertical stiffener on the top side of the ring stiffener plate the shell is cracked approximately twenty-four (24) inches.



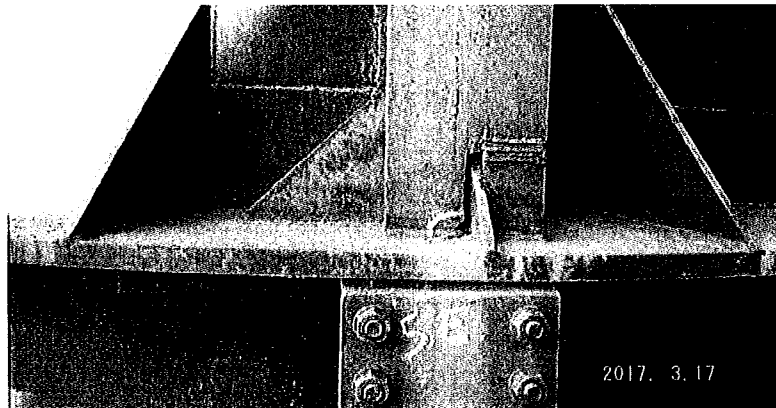
Overall view of West side approximately nine (9) feet total of shell crack.



At the South-east vertical stiffener, at the stack to duct transition there are two (2) cracks, one through the stiffener flange at the shell and at the transition.



At the South-east vertical stiffener to the 15 x 1 1/4" stiffener ring the flange to ring weld is cracked.



Summary

The condition of the #1 stack shows the structural integrity to be compromised at the 148'-3 elevation with approximately 70+% of the circumference with indications of shell cracks, stiffer disconnect and requires immediate attention.

#2 stack generally has only minor weld deficiencies.

#3 stack shell on the West side shows signs of failure that should be addressed as soon as possible to prevent further propagation of the crack in the shell.

The inspection was performed from the outside only using visual method to provide this report. Magnetic Particle testing may determine further discontinuities. Thickness readings of the shell were not taken during the course of this inspection.

R Hughes, S Ockenden Inspectors



United States Steel Corporation

BOF Electrostatic Precipitator Dust

Safety Data Sheet (SDS)

USS IHS Number: 52310

Locations: Granite City, Great Lakes, Hamilton, Lake Erie

Section 1 – Identification

- 1(a) Product Identifier used on Label:** BOF Electrostatic Precipitator Dust
1(b) Other Means of Identification: BOF ESP Dust, BOF Dust, BOF Oxide
1(c) Recommended use of the chemical and restrictions on use: None
1(d) Name, Address, and Telephone Number:
 United States Steel Corporation Phone number : (412) 433-6840 (8:00 am to 5:00 pm)
 600 Grant Street, Room 1662 FAX: (412) 433-5019
 Pittsburgh, PA 15219-2800
1(e) Emergency Phone Number: 1-800-262-8200 (CHEMTREC)

Section 2 – Hazard(s) Identification

2(a) Classification of the Chemical: BOF Electrostatic Precipitator Dust is considered a hazardous material according to the criteria specified in REACH [REGULATION (EC) No 1907/2006] and CLP [REGULATION (EC) No 1272/2008] and OSHA 29 CFR 1910.1200 Hazard Communication Standard. The categories of Health Hazards as defined in "GLOBALLY HARMONIZED SYSTEM OF CLASSIFICATION AND LABELLING OF CHEMICALS (GHS), Third revised edition ST/SG/AC.10/30/Rev. 3" United Nations, New York and Geneva, 2009 have been evaluated. Refer to Section 3, 8 and 11 for additional information.

2(b) Signal Word, Hazard Statement(s), Symbols and Precautionary Statement(s):

Hazard Symbol	Hazard Classification	Signal Word	Hazard Statement(s)	Precautionary Statement(s)
	Carcinogenicity-1A Single Target Organ Toxicity (STOT) Single Exposure-2 STOT Repeated Exposure-1	Danger	May cause cancer. Causes mechanical irritation to skin and lung irritation.	Do not breathe dusts. Wear protective gloves / protective clothing / eye protection / face protection. Wash thoroughly after handling. Obtain special instructions before use.
	Eye Irritation 1 Skin Irritation - 1B		Causes damage to lungs, autoimmune system and kidneys through prolonged or repeated exposure. Causes severe skin burns and serious eye damage.	Do not handle until all safety precautions have been read and understood. Do not eat, drink or smoke when using this product. If exposed, concerned or feel unwell: Get medical advice/attention, call a poison center or doctor/physician.
	Acute Toxicity-Oral - 4		Harmful if swallowed.	If inhaled: Remove person to fresh air and keep comfortable for breathing. Immediately call a poison center or doctor/physician. If in eyes: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing. Immediately call a poison center or doctor/physician. If on skin (or hair): Take off immediately all contaminated clothing. Rinse skin with water/shower. Wash contaminated clothing before reuse. If swallowed: Rinse mouth. Do NOT induce vomiting. Call a poison center or doctor/physician if you feel unwell. Store locked up. Dispose of contents in accordance with federal, state and local regulations.

2(c) Hazards not Otherwise Classified: None Known

2(d) Unknown Acute Toxicity Statement (Mixture): None Known

BOF Electrostatic Precipitator Dust

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Section 3 – Composition/Information on Ingredients

3(a-c) Chemical Name, Common Name (Synonyms), CAS Number and Other Identifiers, and Concentration:

Chemical Name	CAS Number	EC Number	% weight
Iron and Iron Oxides	7439-89-6	231-096-4	40-99
	1345-25-1	215-721-8	
	1309-37-1	215-168-2	
Zinc Oxide	1314-13-2	215-222-5	3-10
Calcium Oxide	1305-78-8	215-138-9	1-10
Silica, Fused	60676-86-0	262-373-8	1-10
Magnesium Oxide	1309-48-4	215-171-9	0-5
Manganese Oxide	1344-43-0	215-695-8	0-2
Crystalline Silica (as Quartz)	14808-60-7	238-878-4	0-2
Aluminum Oxide	1344-28-1	215-691-6	0-1
Carbon	7440-44-0	231-153-3	0-1

EC- European Community

CAS- Chemical Abstract Service

Section 4 – First-aid Measures

4(a) Description of Necessary Measures: If exposed, concerned or feel unwell: Get medical advice/attention, call a poison center or doctor/physician.

- **Inhalation** Remove person to fresh air and keep comfortable for breathing. Immediately call a poison center or doctor/physician.
- **Eye Contact:** If in eyes: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing. Immediately call a poison center or doctor/physician.
- **Skin Contact:** If on skin (or hair): Take off immediately all contaminated clothing. Rinse skin with water/shower. Wash contaminated clothing before reuse.
- **Ingestion:** If swallowed: Rinse mouth. Do NOT induce vomiting. Call a poison center or doctor/physician if you feel unwell.

4(b) Most Important Symptoms/Effects, Acute and Delayed (Chronic):

Acute effects:

- **Inhalation:** Excessive exposure to high concentrations of dust may cause irritation to the eyes, skin and mucous membranes of the upper respiratory tract.
- **Eye:** Particles of iron or iron compounds may become imbedded in the eye. Excessive exposure to high concentrations of dust may cause irritation to the eyes.
- **Skin:** Skin contact with dusts may cause irritation or sensitization, possibly leading to dermatitis. Skin contact with metallic dusts may cause physical abrasion.
- **Ingestion:** Ingestion of dust may cause nausea and/or vomiting.

Chronic Effects:

Individuals with chronic respiratory disorders (i.e., asthma, chronic bronchitis, emphysema, etc.) may be adversely affected by any airborne particulate matter exposure. Persons with pre-existing skin disorders may be more susceptible to dermatitis.

4(c) Immediate Medical Attention and Special Treatment: Treat symptomatically.

Section 5 – Fire-fighting Measures

5(a) Suitable (and Unsuitable) Extinguishing Media: Steam, water fog, CO₂, foam, dry chemicals or sand. Small fires – Foam, CO₂, Dry Chemical, Water Spray. Large Fires – Water Spray, fog or foam.

5(b) Specific Hazards Arising from the Chemical: Incompatibility (materials to avoid), heat and flames. When burned, toxic smoke and vapor may be emitted including, oxides of carbon, metal oxides and other toxic vapors.

5(c) Special Protective Equipment and Precautions for Fire-fighters: Self-contained NIOSH approved respiratory protection and full protective clothing should be worn when fumes and/or smoke from fire are present. Heat and flames cause emittance of acrid smoke and fumes. Do not release runoff from fire control methods into sewers or waterways. Firefighters should wear full face-piece self-contained breathing apparatus and chemical protective clothing with thermal protection. Direct water stream will scatter and spread flames and, therefore, should not be used.

Section 6 - Accidental Release Measures

6(a) Personal Precautions, Protective Equipment and Emergency Procedures: For spills involving finely divided particles, clean-up personnel should be protected against contact with eyes and skin. If material is in a dry state, avoid inhalation of dust. Personnel should be protected against contact with eyes and skin. Fine, dry material should be removed by vacuuming or wet sweeping methods to prevent spreading of dust. Avoid using compressed air. Do not release into sewers or waterways. Collect material in appropriate, labeled containers for recovery or disposal in accordance with federal, state, and local regulations.

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Section 6 - Accidental Release Measures (continued)

6(b) Methods and Materials for Containment and Clean Up: Collect material in appropriate, labeled containers for recovery or disposal in accordance with federal, state, and local regulations. Follow applicable OSHA regulations (29 CFR 1910.120) and all other pertinent state and federal requirements.

Section 7 - Handling and Storage

7(a) Precautions for Safe Handling: Do not eat, drink or smoke when using this product. Wash thoroughly after handling. Do not breathe dusts. Wear protective gloves / protective clothing / eye protection / face protection. Obtain special instructions before use. Do not handle until all safety precautions have been read and understood. Avoid direct contact on skin, eyes or on clothing. Emergency safety showers and eye wash stations should be present.

7(b) Conditions for Safe Storage, Including any Incompatibilities: Whenever feasible, store locked up.

Section 8 - Exposure Controls / Personal Protection

8(a) Occupational Exposure Limits (OELs): The following exposure limits are offered as reference, for an experience industrial hygienist to review.

Ingredients	OSHA PEL ¹	ACGIH TLV ²	NIOSH REL ³	IDLH ⁴
Iron and Iron Oxides	10 mg/m ³ (as iron oxide fume)	5.0 mg/m ³	5.0 mg/m ³ (as iron oxide dust and fume)	2,500 mg/m ³
Calcium Oxide	5.0 mg/m ³	2.0 mg/m ³	2.0 mg/m ³	25 mg/m ³
Zinc Oxide	5.0 mg/m ³ (as zinc oxide fume) 15 mg/m ³ (as total dust) 5.0 mg/m ³ (as respirable fraction)	2.0 mg/m ³ (as zinc oxide)	10 mg/m ³ (as total dust) 5.0 mg/m ³ (as respirable dust)	NE
Silica, Fused	(10.0 mg/m ³)/(%SiO ₂ + 2) (as respirable fraction)	10 mg/m ³ (as inhalable fraction, ⁵ PNOS) ⁶ 3.0 mg/m ³ (as respirable fraction, ⁷ PNOS)	0.05 mg/m ³	NE
Magnesium Oxide	15 mg/m ³	10 mg/m ³	NE	750 mg/m ³
Manganese Oxide	"C" 5.0 mg/m ³ (as Fume & Mn compounds)	0.2 mg/m ³	"C" 5.0 mg/m ³ 1.0 mg/m ³ (as fume) "STEL" 3.0 mg/m ³	500 mg Mn/m ³
Crystalline Silica (as Quartz)	(30mg/m ³)/(%SiO ₂ + 2) (as total dust) (10mg/m ³)/(%SiO ₂ + 2) (as respirable fraction)	0.025 mg/m ³	0.05 mg/m ³	50 mg/m ³
Aluminum Oxide	15 mg/m ³ (as total dust, PNOR) ⁸ 5.0 mg/m ³ (as respirable fraction, PNOR)	10 mg/m ³	NE	NE
Carbon	15 mg/m ³ (as total dust, PNOR) 5.0 mg/m ³ (as respirable fraction, PNOR)	10 mg/m ³ (as inhalable fraction, PNOS) 3.0 mg/m ³ (as respirable fraction, PNOS)	NE	NE

NE - None Established

- OSHA PELs (Permissible Exposure Limits) are 8-hour TWA (time-weighted average) concentrations unless otherwise noted. A ("C") designation denotes a ceiling limit, which should not be exceeded during any part of the working exposure unless otherwise noted. An Action level (AL) is used by OSHA and NIOSH to express a health or physical hazard. They indicate the level of a harmful or toxic substance/activity, which requires medical surveillance, increased industrial hygiene monitoring, or biological monitoring. Action Levels are generally set at one half of the PEL but the actual level may vary from standard to standard. The intent is to identify a level at which the vast majority of randomly sampled exposures will be below the PEL.
- Threshold Limit Values (TLV) established by the American Conference of Governmental Industrial Hygienists (ACGIH) are 8-hour TWA concentrations unless otherwise noted. ACGIH TLVs are for guideline purposes only and as such are not legal, regulatory limits for compliance purposes. A Short Term Exposure Limit (STEL) is defined as the maximum concentration to which workers can be exposed for a short period of time (15 minutes) for only four times throughout the day with at least one hour between exposures.
- The National Institute for Occupational Safety and Health Recommended Exposure Limits (NIOSH-REL) - Compendium of Policy and Statements. NIOSH, Cincinnati, OH (1992). NIOSH is the federal agency designated to conduct research relative to occupational safety and health. As is the case with ACGIH TLVs, NIOSH RELs are for guideline purposes only and as such are not legal, regulatory limits for compliance purposes.
- The "immediately dangerous to life or health" air concentration values (IDLHs) are used by NIOSH as part of the respirator selection criteria and were first developed in the mid-1970s by NIOSH. The Documentation for Immediately Dangerous to Life or Health Concentrations (IDLHs) is a compilation of the rationale and sources of information used by NIOSH during the original determination of 387 IDLHs and their subsequent review and revision in 1994.
- Inhalable fraction. The concentration of inhalable particulate for the application of this TLV is to be determined from the fraction passing a size-selector with the characteristics defined in the ACGIH 2013 TLVs[®] and BEIs[®] (Biological Exposure Indices) Appendix D, paragraph A.
- PNOS (Particulates Not Otherwise Specified). Particulates identified under the PNOS heading are "nuisance dusts" containing no asbestos and <1% crystalline silica.
- Respirable fraction. The concentration of respirable dust for the application of this limit is to be determined from the fraction passing a size-selector with the characteristics defined in ACGIH 2013 TLVs[®] and BEIs[®] Appendix D, paragraph C.
- PNOR (Particulates Not Otherwise Regulated). All inert or nuisance dusts, whether mineral, inorganic, or organic, not listed specifically by substance name are covered by a limit which is the same as the inert or nuisance dust limit of 15 mg/m³ for total dust and 5 mg/m³ for the respirable fraction.

8(b) Appropriate Engineering Controls: Local exhaust ventilation should be used to control the emission of air contaminants. General dilution ventilation may assist with the reduction of air contaminant concentrations. Emergency eye wash stations and deluge safety showers should be available in the work area.

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Section 8 - Exposure Controls / Personal Protection (continued)

8(c) Individual Protection Measures:

- **Respiratory Protection:** Seek professional advice prior to respirator selection and use. Follow OSHA respirator regulations (29 CFR 1910.134) and, if necessary, use only a NIOSH-approved respirator. Select respirator based on its suitability to provide adequate worker protection for given working conditions, level of airborne contamination, and presence of sufficient oxygen. Concentration in air of the various contaminants determines the extent of respiratory protection needed. Half-face, negative-pressure, air-purifying respirator equipped with P100 filter is acceptable for concentrations up to 10 times the exposure limit. Full-face, negative-pressure, air-purifying respirator equipped with P100 filter is acceptable for concentrations up to 50 times the exposure limit. Protection by air-purifying negative-pressure and powered air respirators is limited. Use a positive-pressure-demand, full-face, supplied air respirator or self contained breathing apparatus (SCBA) for concentrations above 50 times the exposure limit. If exposure is above the IDLH (immediately dangerous to life or health) for any of the constituents, or there is a possibility of an uncontrolled release or exposure levels are unknown, then use a positive-demand, full-face, supplied air respirator with escape bottle or SCBA.

Warning! Air-purifying respirators both negative-pressure, and powered-air do not protect workers in oxygen-deficient atmospheres.

- **Eyes:** Wear eye protection/face protection. A face shield should be used when appropriate to prevent contact with splashed materials. Chemical goggles, face shields or glasses should be worn to prevent eye contact. Contact lenses should not be worn where industrial exposure to this material is likely.
- **Skin:** Persons handling this product should wear appropriate clothing to prevent skin contact. Take off contaminated clothing and wash before reuse. Contaminated work clothing should not be allowed out of the workplace. Wear protective gloves.
- **Other protective equipment:** An eyewash fountain and deluge shower should be readily available in the work area.

Section 9 - Physical and Chemical Properties




9(a) Appearance (physical state, color, etc.): Reddish brown dust, odorless	9(j) Upper/Lower Flammability or Explosive Limits: NA
9(b) Odor: NA	9(k) Vapor Pressure: NA
9(c) Odor Threshold: NA	9(l) Vapor Density (Air = 1): NA
9(d) pH: 11.5	9(m) Relative Density: NA
9(e) Melting Point/Freezing Point: NA	9(n) Solubility(ies): Insoluble
9(f) Initial Boiling Point and Boiling Range: NA	9(o) Partition Coefficient n-octanol/water: NA
9(g) Flash Point: NA	9(p) Auto-ignition Temperature: ND
9(h) Evaporation Rate: NA	9(q) Decomposition Temperature: ND
9(i) Flammability (solid, gas): Not flammable	9(r) Viscosity: ND
NA - Not Applicable	
ND - Not Determined for product as a whole	

Section 10 - Stability and Reactivity

- 10(a) Reactivity: Not Determined (ND)
- 10(b) Chemical Stability: BOF Electrostatic Precipitator Dust is stable under normal storage and handling conditions.
- 10(c) Possibility of Hazardous Reaction: None Known
- 10(d) Conditions to Avoid: Calcium oxide will react with water to form calcium hydroxide.
- 10(e) Incompatible Materials: Iron oxide dusts in contact with calcium hypochlorite evolve oxygen and may cause an explosion
- 10(f) Hazardous Decomposition Products: Oxides of carbon, metal oxides and toxic vapors may be released at elevated temperatures.

Section 11 - Toxicological Information

11(a-e) Information on Toxicological Effects: The following toxicity data has been determined for BOF Electrostatic Precipitator Dust by using the information available for its components applied to the guidance on the preparation of an SDS under the GHS requirements of OSHA and the EU CPL:

Hazard Classification	Hazard Category		Hazard Symbols	Signal Word	Hazard Statement
	EU	OSHA			
Acute Toxicity Hazard (covers Categories 1-4)	4	4 ^a		Warning	Harmful if swallowed.
Skin Irritation (covers Categories 1A, 1B, 1C, and 2)	1B	1B ^b		Danger	Causes severe skin burns and eye damage.
Eye Damage/Irritation (covers Categories 1, 2A and 2B)	1	1 ^c		Danger	Causes serious eye damage.
Germ Cell Mutagenicity (covers Categories 1A, 1B and 2)	2	NR *	NA	NA	NA

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Section 11 - Toxicological Information (continued)

11(a-e) Information on Toxicological Effects (continued):

Hazard Classification	Hazard Category		Hazard Category	Signal Word	Hazard Statement
	EU	OSHA			
Carcinogenicity (covers Categories 1A, 1B and 2)	1A	1A ⁵		Danger	May cause cancer.
Specific Target Organ Toxicity (STOT) Following Single Exposure (covers Categories 1-3)	2	2 ¹		Warning	Causes mechanical irritation to skin and lung irritation.
STOT Following Repeated Exposure (covers Categories 1 and 2)	1	1 ¹		Danger	Causes damage to lungs, autoimmune system and kidneys through prolonged or repeated exposure.

* NR Not Rated - Available data does not meet criteria for classification.

The Toxicological data listed below are presented regardless to classification criteria. Individual hazard classification categories where the toxicological information has met or exceeded a classification criteria threshold are listed above.

a. No LC₅₀ or LD₅₀ has been established for BOF Electrostatic Precipitator Dust. The following data has been determined for the components:

- Iron Oxide: LD₅₀ = >10,000 mg/kg (Oral/ Rat)
- Iron: Rat LD₅₀ = 1060 mg/kg (IUCLID) (oral)
- Zinc Oxide: Rat LD₅₀ >5000 mg/kg (oral)
- Silica: Rat LD₅₀ = 500 mg/kg (Oral/ Rat)
- Carbon: LD₅₀ = >10,000 mg/kg (Oral/ Rat)

b. No Skin (Dermal) Irritation data available for BOF Electrostatic Precipitator Dust as a mixture. The following Skin (Dermal) Irritation data has been determined for the components:

- Iron Oxide: Moderately irritating
- Magnesium Dioxide: Severe skin irritant in human (HSDB).

c. No Eye Irritation data available for BOF Electrostatic Precipitator Dust as a mixture. The following Eye Irritation information was found for the components:

- Iron Oxide: Severely irritating; may cause burns. Human Corrosive (IUCLID).
- Iron: Irritating when administered as Iron metal. Rabbit Draize - irritating (IUCLID).
- Calcium Oxide: Rabbit Irritating (REACH).
- Magnesium dioxide: Severe eye irritant in human (HSDB).
- Silicon Dioxide: Crystalline silica may cause abrasion of the cornea.

d. No Skin (Dermal)/Respiratory Sensitization data available for BOF Electrostatic Precipitator Dust as a mixture or its individual components.

e. No Aspiration Hazard data available for BOF Electrostatic Precipitator Dust as a mixture or its individual components.

f. No Germ Cell Mutagenicity data available for BOF Electrostatic Precipitator Dust as a mixture. The following Germ Cell Mutagenicity information was found for the components:

- Iron Oxide: Both positive and negative data.

g. Carcinogenicity: IARC, NTP, and OSHA do not list BOF Electrostatic Precipitator Dust as carcinogens. The following Carcinogenicity information was found for the components:

- Iron Oxide: IARC-3, TLV-A4
- Silicon Dioxide: Repeated exposure to crystalline silica causes lung cancer in exposed humans. IARC-1, NTP-1, TLV-A2, and OSHA.

h. No Toxic Reproduction data available for BOF Electrostatic Precipitator Dust as a mixture or its individual components.

i. No Specific Target Organ Toxicity (STOT) following a Single Exposure data available for BOF Electrostatic Precipitator Dust as a mixture. The following STOT following a Single Exposure data was found for the components:

- Iron Oxide: May cause lung irritation.
- Iron: Irritating to Respiratory tract.
- Calcium Oxide: Can cause respiratory tract irritation, skin and eye irritation.
- Silicon Dioxide: Single exposure to very high airborne levels may cause lung irritation in exposed humans.

j. No Specific Target Organ Toxicity (STOT) following Repeated Exposure data was available for BOF Electrostatic Precipitator Dust as a whole. The following STOT following Repeated Exposure data was found for the components:

- Iron Oxide: Some pulmonary and lung effects reported.
- Silicon Dioxide: Repeated exposure to crystalline silica causes silicosis and kidney damage as well as increased incidence of autoimmune disorders in humans.

The above toxicity information was determined from available scientific sources to illustrate the prevailing posture of the scientific community. The scientific resources includes: The American Conference of Governmental Industrial Hygienist (ACGIH) Documentation of the Threshold Limit Values (TLVs) and Biological Exposure indices (BEIs) with Other Worldwide Occupational Exposure Values 2009, The International Agency for Research on Cancer (IARC), The National Toxicology Program (NTP) updated documentation, the World Health Organization (WHO) and other available resources, the International Uniform Chemical Information Database (IUCLID), European Union Risk Assessment Report (EU-RAR), Concise International Chemical Assessment Documents (CICAD), European Union Scientific Committee for Occupational Exposure Limits (EU-SCOEL), Agency for Toxic Substances and Disease Registry (ATSDR), Hazardous Substance Data Bank (HSDB), and International Programme on Chemical Safety (IPCS).

BOF Electrostatic Precipitator Dust

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Section 11 - Toxicological Information (continued)

11(a-e) Information on Toxicological Effects (continued):

The following health hazard information is provided regardless to classification criteria and is based on the individual component(s):

Acute Effects by Component:

- **IRON (and Iron Oxide):** Iron is harmful if swallowed, causes skin irritation, and causes eye irritation. Contact with iron oxide has been reported to cause skin irritation and serious eye damage.
- **ZINC OXIDE:** Not Reported/ Not Classified
- **CALCIUM OXIDE:** Calcium oxide is an eye and skin irritant.
- **AMORPHOUS SILICA (SILICON DIOXIDE):** Not Reported/ Not Classified
- **MAGNESIUM OXIDE:** Not Reported/ Not Classified
- **MANGANESE OXIDE:** Manganese oxide is harmful if swallowed.
- **CRYSTALLINE SILICA (Silicon Dioxide):** Causes irritation and inflammation of the respiratory tract. May cause abrasion of the cornea. Inhalation may cause cough. A single exposure to very high airborne levels may cause lung irritation in exposed humans.
- **ALUMINUM OXIDE:** Inhalation may cause cough.
- **CARBON:** Not Reported/Not classified

Delayed (chronic) Effects by Component:

- **IRON (and Iron Oxide):** Chronic inhalation of excessive concentrations of iron oxide dusts may result in the development of a benign lung disease, called siderosis, which is observable as an X-ray change. No physical impairment of lung function has been associated with siderosis. Inhalation of excessive concentrations of ferric oxide may enhance the risk of lung cancer development in workers exposed to pulmonary carcinogens. Iron oxide is listed as a Group 3 (not classifiable) carcinogen by the International Agency for Research on Cancer (IARC).
- **ZINC OXIDE:** Zinc dusts are a low health risk by inhalation and should be treated as a nuisance dust.
- **CALCIUM OXIDE:** Depending on the concentration and duration of exposure, repeated or prolonged inhalation may cause inflammation of the respiratory passages, ulcers of the mucous membranes, and possible perforation of the nasal septum. Repeated or prolonged skin contact may cause dermatitis.
- **AMORPHOUS SILICA (SILICON DIOXIDE):** Silicon dusts are a low health risk by inhalation and should be treated as a nuisance dust. Eye contact with pure material can cause particulate irritation. Skin contact with silicon dusts may cause physical abrasion.
- **MAGNESIUM OXIDE:** Irritation of eyes, nose, and throat. Symptoms may include dryness of nose and mouth, cough, feeling of weakness, tightness of chest, muscular pain, chills, fever, headache, nausea, and vomiting.
- **MANGANESE OXIDE:** Neurobehavioral alterations in worker populations exposed to Manganese Oxide include speed and coordination of motor function are especially impaired.
- **SILICA (Crystalline Quartz):** Inhalation of quartz is classified by IARC as a probable human carcinogen. Chronic exposure can cause silicosis, a form of lung scarring that can cause shortness of breath, reduced lung function, and in severe cases, death. Repeated exposure may cause kidney damage as well as increased incidence of autoimmune disorder.
- **ALUMINUM OXIDE:** Considered to be an inert or nuisance dust.
- **CARBON:** Chronic inhalation may lead to decreased pulmonary function.

Section 12 - Ecological Information

12(a) Ecotoxicity (aquatic & terrestrial): No data available for the product, BOF Electrostatic Precipitator Dust as a whole. However, individual components of the product have been found to be toxic to the environment. Dusts may migrate into soil and groundwater and be ingested by wildlife as follows:

- **Iron Oxide:** LC₅₀: >1000 mg/L; Fish
- **Zinc Oxide:** EU RAR lists as Category 1 Very toxic to aquatic life with long lasting effects.
- **Calcium Oxide:** LC₅₀: 159 mg/L; invertebrates

12(b) Persistence & Degradability: No Data Available

12(c) Bioaccumulative Potential: No Data Available

12(d) Mobility (in soil): No Data Available

12(e) Other Adverse Effects: None Known

Additional Information:

Hazard Category: Category 1

Signal Word: Warning

Hazard Symbol:



Hazard Statement: Very Toxic to aquatic life with long lasting effects.

Section 13 - Disposal Considerations

Disposal: Dispose of contents/container in accordance with local/regional/international regulations.

Container Cleaning and Disposal: Follow applicable federal, state and local regulations. Observe safe handling precautions. European Waste Catalogue 10-02-99 (solid wastes from gas treatment containing dangerous substances) or 10-02-08 (solid wastes from gas treatment other than those mentioned in 10-02-07).

Please note this information is for BOF Electrostatic Precipitator Dust in its original form. Any alterations can void this information.

BOF Electrostatic Precipitator Dust

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Section 14 - Transport Information

14 (a-g) Transportation Information:
 US Department of Transportation (DOT) under 49 CFR 172.101 does not regulate BOF Electrostatic Precipitator Dust as a hazardous material. All federal, state, and local laws and regulations that apply to the transport of this type of material must be adhered to.

Shipping Name: NOT DOT Regulated Shipping Symbols: NA Hazard Class: NA UN No.: NA Packing Group NA DOT/IMO Label: NA Special Provisions (172.102): NA	Packaging Authorizations a) Exceptions: NA b) Non-bulk: NA c) Bulk: NA	Quantity Limitations a) Passenger Aircraft or Rail: NA b) Cargo Aircraft Only: NA Vessel Stowage Location: NA DOT reportable quantities: NA
---	---	---

International Maritime Dangerous Goods (IMDG) and the Regulations Concerning the International Carriage of Dangerous Goods by Rail (RID) classification, packaging and shipping requirements follow the US DOT Hazardous Materials Regulation.

Regulations Concerning the International Carriage of Dangerous Goods by Road (ADR) does not regulate BOF Electrostatic Precipitator Dust as a hazardous material.

Shipping Name: NOT DOT Regulated Classification Code: NA UN No.: NA Packing Group: NA ADR Label: NA Special Provisions: NA Limited Quantities: NA	Packaging a) Packing Instructions: NA b) Special Packing Provisions: NA c) Mixed Packing Provisions: NA	Portable Tanks & Bulk Containers a) Instructions: NA b) Special Provisions: NA
---	--	--

International Air Transport Association (IATA) does not regulate BOF Electrostatic Precipitator Dust as a hazardous material.

Shipping Name: NOT DOT Regulated Class/Division: NA Hazard Label (s): NA UN No.: NA Packing Group: NA Excepted Quantities (EQ): NA	Passenger & Cargo Aircraft Limited Quantity (EQ)		Cargo Aircraft Only Pkg Inst: NA Max Net Qty/Pkg: NA	Special Provisions: NA ERG Code: NA
	Pkg Inst: NA Max Net Qty/Pkg: NA	Pkg Inst: NA Max Net Qty/Pkg: NA		

Pkg Inst – Packing Instructions Max Net Qty/Pkg – Maximum Net Quantity per Package ERG – Emergency Response Drill Code

BOF Electrostatic Precipitator Dust does not have a Transport Dangerous Goods (TDG) classification.

Section 15 - Regulatory Information

Regulatory Information: The following listing of regulations relating to a U. S. Steel product may not be complete and should not be solely relied upon for all regulatory compliance responsibilities. This product and/or its constituents are subject to the following regulations:

SARA Potential Hazard Categories: Immediate Acute Health Hazard, Delayed Chronic Health Hazard.

Section 313 Supplier Notification: The product, BOF Electrostatic Precipitator Dust contains the following toxic chemicals subject to the reporting requirements of section 313 of Title III of the Superfund Amendments and Reauthorization Act of 1986 and 40 CFR part 372:

CAS #	Chemical Name	Percent by Weight
7439-96-5	Manganese Oxide (Mn compounds)	2 max
1314-13-2	Zinc Oxide (Zn Compounds)	10 max

State Regulations: The product, BOF Electrostatic Precipitator Dust as a whole is not listed in any state regulations. However, individual components of the product are listed in various state regulations:

California Prop. 65: Contains elements known to the State of California to cause cancer or reproductive toxicity. This includes Crystalline silica (airborne particles of respirable size only).

Other Regulations:

WHMIS Classification (Canadian): The product, BOF Electrostatic Precipitator Dust is not listed as a whole. However individual components are listed.

Ingredients	WHMIS Classification
Iron	B4, D2B
Calcium Oxide	E
Manganese	B4, D2A
Quartz	D2A

This product has been classified in accordance with the hazard criteria of the Controlled Products Regulations and the SDS contains all the information required by the Controlled Products Regulations.

BOF Electrostatic Precipitator Dust

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Section 16 - Other Information

Prepared By: United States Steel Corporation

Revision History:

- 04/14/2015 - Revision
- 04/07/2014 - Update to OSHA HAZCOM 2012
- 06/02/11 - Update of content and format to comply with GHS
- 02/17/98 - Original

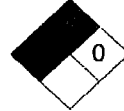
Expiration Date: 4/14/18

Additional Information:

Hazardous Material Identification System (HMIS) Classification

Health Hazard	1
Inst. Reactivity	0
Physical Hazard	0

National Fire Protection Association (NFPA)



HEALTH= 1, * Denotes possible chronic hazard if airborne dusts or fumes are generated Irritation or minor reversible injury possible.
 FIRE= 0, Materials that will not burn.
 PHYSICAL HAZARDS = 0, Materials that are normally stable, even under fire conditions, and will not react with water, polymerize, decompose, condense, or self-react. Non-explosives.

HEALTH = 1, Exposure could cause irritation but only minor residual injury even if no treatment is given.
 FIRE = 0, Materials that will not burn.
 INSTABILITY = 0, Normally stable, even under fire exposure conditions, and are not reactive with water.

ABBREVIATIONS/ACRONYMS:

ACGIH	American Conference of Governmental Industrial Hygienists	NIF	No Information Found
BEIs	Biological Exposure Indices	NIOSH	National Institute for Occupational Safety and Health
CAS	Chemical Abstracts Service	NTP	National Toxicology Program
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act	ORC	Organization Resources Counselors
CFR	Code of Federal Regulations	OSHA	Occupational Safety and Health Administration
CNS	Central Nervous System	PEL	Permissible Exposure Limit
GI, GIT	Gastro-Intestinal, Gastro-Intestinal Tract	PNOR	Particulate Not Otherwise Regulated
HMIS	Hazardous Materials Identification System	PNOC	Particulate Not Otherwise Classified
IARC	International Agency for Research on Cancer	PPE	Personal Protective Equipment
LC50	Median Lethal Concentration	ppm	parts per million
LD50	Median Lethal Dose	RCRA	Resource Conservation and Recovery Act
LD _{Lo}	Lowest Dose to have killed animals or humans	RTECS	Registry of Toxic Effects of Chemical Substances
LEL	Lower Explosive Limit	SARA	Superfund Amendment and Reauthorization Act
µg/m ³	microgram per cubic meter of air	SCBA	Self-contained Breathing Apparatus
mg/m ³	milligram per cubic meter of air	STEL	Short-term Exposure Limit
mppcf	million particles per cubic foot	TLV	Threshold Limit Value
SDS	Safety Data Sheet	TWA	Time-weighted Average
MSHA	Mine Safety and Health Administration	UEL	Upper Explosive Limit
NFPA	National Fire Protection Association		

Disclaimer: This information is taken from sources or based upon data believed to be reliable. However, United States Steel Corporation makes no warranty as to the absolute correctness or sufficiency of any of the foregoing or that additional or other measures may not be required under particular conditions.



United States Steel Corporation

BOF Electrostatic Precipitator Dust

Signal Word: **DANGER**

Symbols:



HAZARD STATEMENTS:

May cause cancer.
 Causes mechanical irritation to skin and lung irritation.
 Causes damage to lungs, autoimmune system and kidneys through prolonged or repeated exposure.
 Causes severe skin burns and serious eye damage.
 Harmful if swallowed.

PRECAUTIONARY STATEMENTS

Do not breathe dusts.
 Wear protective gloves / protective clothing / eye protection / face protection.
 Wash thoroughly after handling.
 Obtain special instructions before use.
 Do not handle until all safety precautions have been read and understood.
 Do not eat, drink or smoke when using this product.
 If exposed, concerned or feel unwell: Get medical advice/attention, call a poison center or doctor/physician.
 If inhaled: Remove person to fresh air and keep comfortable for breathing. Immediately call a poison center or doctor/physician.
 If in eyes: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing. Immediately call a poison center or doctor/physician.
 If on skin (or hair): Take off immediately all contaminated clothing. Rinse skin with water/shower. Wash contaminated clothing before reuse.
 If swallowed: Rinse mouth. Do NOT induce vomiting. Call a poison center or doctor/physician if you feel unwell.
 Store locked up.
 Dispose of contents in accordance with federal, state and local regulations.

United States Steel Corporation
 600 Grant Street, Room 1662
 Pittsburgh, PA 15219-2800
 Original Issue Date: 08/01/1985

USS IHS #: SDS #52310
 Phone Number : (412) 433-6840 (8:00 am to 5:00 pm)
 Emergency Contact: 1-800-262-8200 (CHEMTREC)
 Revised: 04/14/2015

SCHEDULE "B" - SERVICES

Budget proposal



PROPOSAL NUMBER BD-17-418 September 19, 2017

Stelco
Terry Charters

Submitted by:
Ian Bartels

Services Required:

Demolition of 3 stacks at BOF

Proposed Service:

1. All work required to dismantle, remove and dispose of BOF stacks
2. Isolate duct work from Stacks
3. Drop stacks utilizing a cut and pull method
4. All scrap revenue to be retained by Budget demolliton and hauled from the site.
5. All waste materials, whether liquid, solid, hazardous, or non hazardous to be hauled from the site for lawful disposal by Budget.
6. Site will be left clean and safe.

Cost for Proposed Service:

The cost to complete all of the above is \$37,840.00 plus HST

Terms and Conditions

1. This price does not include the removal of any unforeseen buried items, tanks or designated substances.
2. Price does not include disconnection of services.
3. Price does not include backfilling or site grading.
4. Services to be completed no later than October 31st, 2017 pending acces to site by owner and issuance of demolition permits.
5. This price is effective for 60 days.

THIS PROPOSAL MUST BE SIGNED AND RETURNED BY FAX OR E-MAIL

Upon signing this document it will form the contract for the work and will be binding.

Signed,

Ian Bartels
Budget Demolition
(905) 971 9013

I accept this proposal as outlined above.

Name: _____

Signature: _____

Date: _____

Tab B

Appendix "B"
BOF Cost Reimbursement Agreement

**BOF STACKS REMOVAL COST REIMBURSEMENT
AGREEMENT**

Made as of [●], 2017

Between

Stelco Inc.
("Stelco")

and

Legacy Lands Hamilton Inc.
("Landco")

BOF STACKS REMOVAL COST REIMBURSEMENT AGREEMENT

This Agreement is made as of [●], 2017, between

Stelco Inc.
 (“Stelco”)

and

Legacy Lands Hamilton Inc.
 (“Landco”)

RECITALS

- A. Stelco and Landco have entered into the Lease pursuant to which Stelco has agreed to lease the Leased Premises from Landco.
- B. Pursuant to the Lease, Stelco and Landco will enter into a services agreement and a Reciprocal Easement, Operating, Infrastructure and Services Agreement.
- C. The Parties are entering into this Agreement on the basis that the services agreement and the Reciprocal Easement, Operating, Infrastructure and Services Agreement will also be entered into.
- D. Included in the lands owned by Landco (and which are not demised to Stelco pursuant to the Lease) are certain surplus buildings and structures previously owned and used by Stelco (including the BOF Stacks) prior to the acquisition by Landco on June 30, 2017 (the "Acquisition Date").
- E. Prior to the Acquisition Date, Stelco had commissioned the Globex Report to assess the condition of the BOF Stacks.
- F. In light of the condition of the BOF Stacks, Landco intends to arrange for the demolition thereof and Stelco has agreed to partially reimburse Landco for costs incurred in connection therewith pursuant to the terms of this Agreement.

FOR VALUE RECEIVED, the Parties agree as follows:

ARTICLE 1 — INTERPRETATION

Section 1.1 Definitions

For the purpose of this Agreement, including the Schedule hereto, the following terms shall have the following meanings, respectively:

- (1) “**Agreement**” means this agreement, including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time.
- (2) “**BOF Stacks**” means the precipitator stacks described in the Globex Report.

- (3) **“Globex Report”** means the report attached hereto as Schedule “A”.
- (4) **“Lease”** means the lease dated June 30, 2017 between Landco, as landlord, and Stelco, as tenant in respect of the Leased Premises described therein located in Hamilton, Ontario, as such lease may be amended in accordance with the provisions thereof.
- (5) **“Parties”** or **“parties”** means the parties to this Agreement and **“Party”** or **“party”** means any one of the Parties.
- (6) **“Reimbursement Payment”** has the meaning ascribed thereto in Section 3.1.

Section 1.2 Headings and References

- (1) The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (2) The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto.
- (3) Unless something in the subject matter or context is inconsistent therewith, references herein to “Sections” are to sections, subsections and further subdivisions of sections of this Agreement.
- (4) Capitalized terms used in this Agreement that are not otherwise defined herein shall have the meaning ascribed to them in the Lease.

Section 1.3 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including without limitation.”

Section 1.4 Currency

All references to currency or dollar amounts are to lawful currency of Canada.

Section 1.5 Time of Day

Unless otherwise specified, references to time of day or date mean local time or date in the City of Hamilton.

Section 1.6 Statutory References

Unless otherwise specifically provided in this Agreement, each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

Section 1.7 Schedule

The following is the schedule annexed to this Agreement and incorporated by reference and deemed to be part hereof:

Schedule "A" – Precipitator Stacks 1, 2, 3 – Hamilton Works BOF – Inspection Report dated March 22, 2017 by Globex Inspection Services, Inc.

ARTICLE 2 — REMOVAL OF BOF STACKS**Section 2.1 Removal of BOF Stacks**

Further to the Globex Report, Landco shall, in accordance with Applicable Laws:

- (a) As soon as reasonably practical, cause BOF Stack #1 (as described in the Globex Report) to be removed; and
- (b) As soon as reasonably practical, cause BOF Stacks #2 and #3 (as described in the Globex Report) to be removed.

Section 2.2 No Responsibility for Stelco

Notwithstanding the reimbursement of costs from Stelco as described in Article 3 below, the responsibility for the work described in Section 2.1 shall be the sole responsibility of Landco to obtain or perform. Stelco's sole obligation in connection with the removal of the BOF Stacks is to make the Reimbursement Payment in accordance with Article 3 hereof.

ARTICLE 3 — COST REIMBURSEMENT**Section 3.1 Cost Reimbursement**

Notwithstanding that the work described in Section 2.1 is the sole responsibility of Landco, Stelco agrees that it shall pay Landco's costs to complete such work, up to a maximum amount of Forty Thousand Canadian Dollars (\$40,000.00 CDN), plus HST (the "Reimbursement Payment"). Stelco shall pay the Reimbursement Payment directly upon receipt of invoices from the contractor engaged by Landco to complete the work, which invoices are mutually agreed upon by Landco and Stelco. If the Reimbursement Payment is made in whole or in part directly to such contractor, Stelco shall provide evidence to Landco of such payment upon request.

ARTICLE 4 — LIMITATIONS OF LIABILITY**Section 4.1 Limitations of Liability**

- (1) Landco's exclusive remedy against Stelco for any claim that it may have against Stelco in respect of the Reimbursement Payment referred to in this Agreement shall be limited only to a claim for liquidated damages equal to any Reimbursement Payment then outstanding.

- (2) Regardless of Stelco's failure to make the Reimbursement Payment, in no event shall Stelco be liable or responsible to Landco or any third party in respect of the removal of the BOF Stacks, including for:
- (a) any special, indirect or consequential damages, including lost profits, loss of use of productive facilities or equipment or cost of capital;
 - (b) any third party damages; or
 - (c) any exemplary or punitive damages, that arise or are alleged to have arisen from the provision, delay in providing or failure to provide any service in relation to the removal of the BOF Stacks.
- (3) For greater certainty, Stelco has no obligation to ensure that the work referred to in Section 2.1 is completed or that any contractor engaged by Landco to complete such work is acting in compliance with the terms of the agreement to complete such work.

ARTICLE 5 — MISCELLANEOUS

Section 5.1 Confidentiality

The confidentiality provisions contained in Section 11.20 of the Lease shall apply to this Agreement, *mutatis mutandis*.

Section 5.2 Further Assurances

Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

Section 5.3 Notices

Unless otherwise specified, each Notice to a Party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by electronic transmission to the Party as follows:

if to Stelco:

Name:	Stelco Inc.
Address:	386 Wilcox Street Hamilton, Ontario L8N 3T1
Attention:	Chief Executive Officer
CC:	General Counsel
E-mail:	paul.simon@stelco.com

if to Landco:

Name: c/o Ernst & Young Inc., as Court-appointed Interim Land Restructuring Officer
 Address: 100 Adelaide St. W.
 Toronto, ON M5H 0B3
 Attention: Alex Morrison and David Saldanha
 Fax No.: 416-943-3300
 E-mail: alex.f.morrison@ca.ey.com; david.saldanha@ca.ey.com

with a copy to (which copy shall not constitute by itself delivery of a Notice):

Name: Bennett Jones LLP
 Address: One First Canadian Place, Suite 3400
 Toronto, ON M5X 1A4
 Attention: Kevin J. Zych and Raj Sahni
 Fax No: 416-863-1716
 E-mail: zychk@bennettjones.com; sahnir@bennettjones.com

or to any other address, fax number, e-mail address or Person that a Party designates. Any Notice, if delivered personally or by courier, will be deemed to have been given when actually received, if transmitted by fax before 3:00 p.m. on a Business Day, will be deemed to have been given on that Business Day, if transmitted by fax after 3:00 p.m. on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission and if transmitted by e-mail, will be deemed to have been given on the Business Day when the Notice becomes capable of being retrieved.

Section 5.4 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

Section 5.5 Entire Agreement

This Agreement, the attached schedules and the Lease constitute the entire agreement between the Parties with respect to the subject matter set out in this Agreement and supersede all prior negotiations and understandings. No provision may be amended or waived except in writing as detailed in Section 5.7. For greater certainty, the rights and obligations of the Parties under this Agreement are in addition to their respective rights and obligations under the Lease and nothing in this Agreement shall limit or diminish the rights or obligations of the Parties under the Lease.

Section 5.6 Severability

Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable and shall be ineffective to the extent of such invalidity or unenforceability without affecting any other provision of this Agreement, and the Parties, acting reasonably, shall negotiate an amendment to this Agreement to replace the severed

provision with a replacement therefor, so as to give effect, to the extent possible, to the original intent of the severed provision.

Section 5.7 Amendments or Waiver

- (1) No modification of or amendment to this Agreement shall be valid or binding unless it is in writing and executed by the Parties.
- (2) The failure of a Party to require performance of any provision of this Agreement by the other Party at any time shall not affect the full right of the Party to require such performance at any time thereafter.
- (3) No waiver of any breach of any provision of this Agreement shall be effective or binding unless it is in writing and signed by the Party purporting to give the same.
- (4) No waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach of any provision of this Agreement.

Section 5.8 Relationship of Parties

- (1) This Agreement is not intended to create a partnership between the Parties.
- (2) Neither Party constitutes the other Party as its agent, partner, joint venturer or legal representative and neither Party has express or implied authority to bind the other Party in any manner whatsoever.
- (3) Neither Party has any authority over the business, policies or procedures of the other Party.

Section 5.9 Counterparts and Electronic Transmission

- (1) This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be an original and all of which taken shall constitute one and the same document.
- (2) The electronic transmission of a copy of this Agreement duly executed by the transmitting Party shall constitute effective delivery by the transmitting Party of an executed copy of this Agreement to the receiving Party but the transmitting Party shall forthwith deliver an originally executed copy of this Agreement to the receiving Party.

Section 5.10 Court Approval

- (1) Execution and delivery of this Agreement by Landco and the obligations of Landco hereunder, including the removal of the BOF Stacks, shall be subject to approval thereof by the Ontario Superior Court of Justice.

Section 5.11 Assignability; Enurement

- (1) A Party may not assign its interest in this Agreement without the prior written consent of the other Party, which consent may be unreasonably withheld or delayed.

- (2) This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

Section 5.12 No Third Party Beneficiaries

This Agreement is solely for the benefit of:

- (a) Stelco and its successors and permitted assigns with respect to the obligations of Landco under this Agreement; and
- (b) Landco and its successors and permitted assigns with respect to the obligations of Stelco under this Agreement,

and this Agreement does not confer and will not be deemed to confer on or give to any other Person any benefit, claim or other right or remedy.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first written above.

LEGACY LANDS HAMILTON INC.

by: **ERNST & YOUNG INC.**, in its capacity as court-appointed Interim Land Restructuring Officer and not in its personal capacity and without personal liability or recourse to its assets

Per: _____
Name:
Title:

I have the authority to bind the corporation.

STELCO INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

SCHEDULE "A" - Globex Report



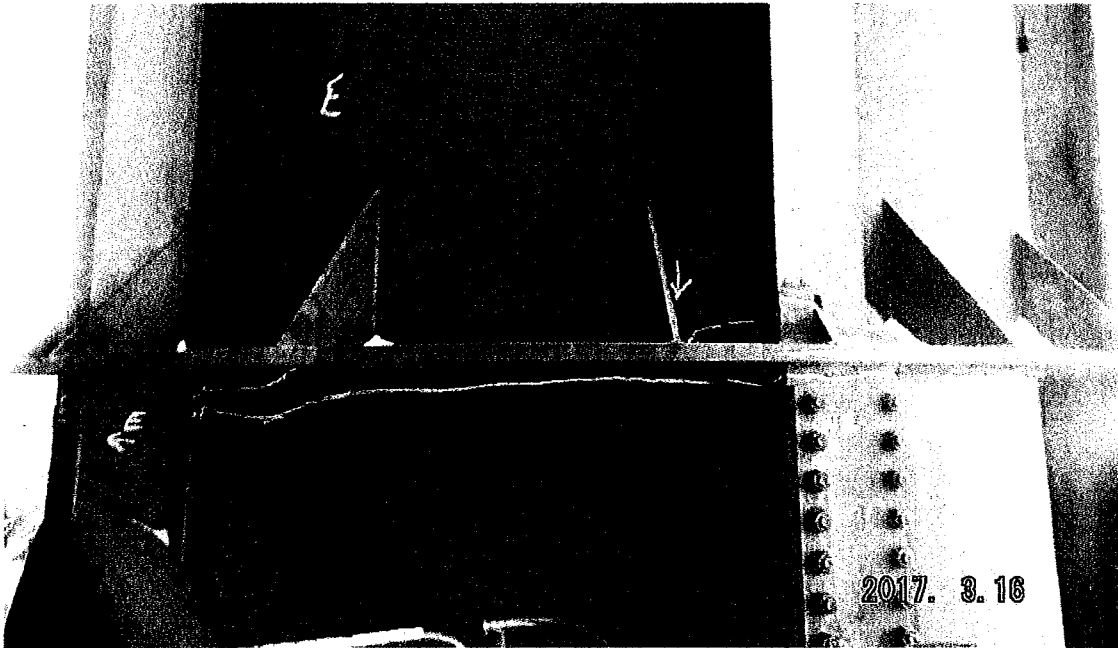
Precipitator Stacks 1, 2, 3
Hamilton Works BOF
Inspection Report March 22, 2017



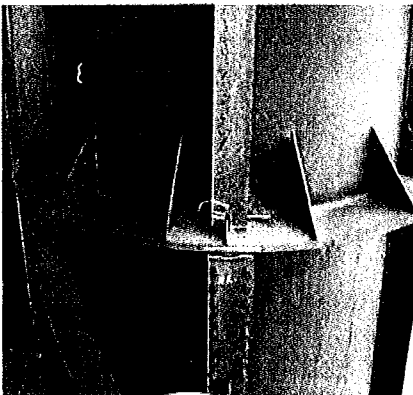
Stack #1

The stack #1 (North) appears to have the most damage at the time of the inspection. The following is an outline of the reported findings. Beginning at the Duct to stack connection on the North-east side and rotating about the stack counterclockwise.

At approximate elevation 148'-3 below the 15"x1 1/4" stiffener ring from the East vertical stiffener W12 the stack shell is cracked to the North-east vertical stiffener.



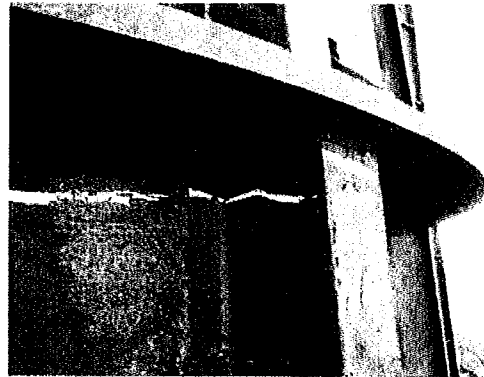
At the North-east vertical stiffener to the 15" x 1 1/4" stiffener ring the welds, flange, web and gussets B/s are cracked on the upper side and the shell crack continues behind on the lower side. The Flanges and web are also cracked on the lower side of the stiffener ring.



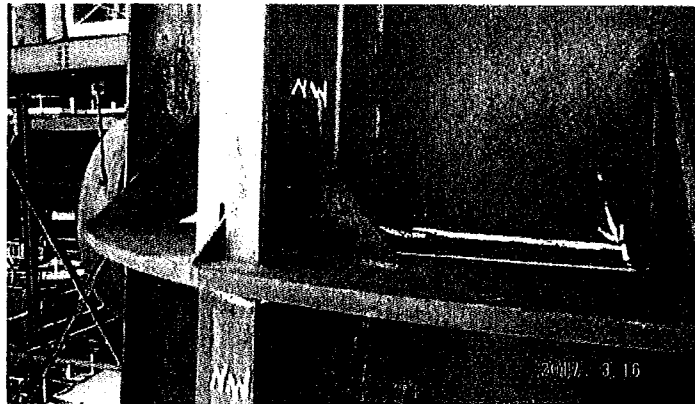
The shell crack continues on the underside of the stiffener ring from the North-east to North North-west vertical stiffener.



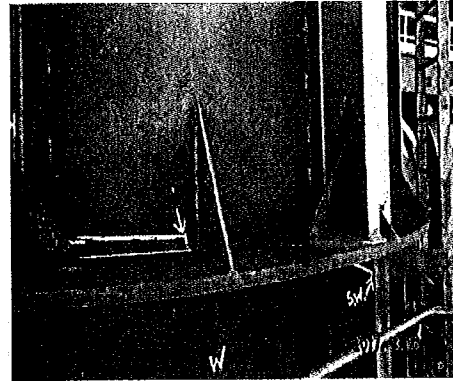
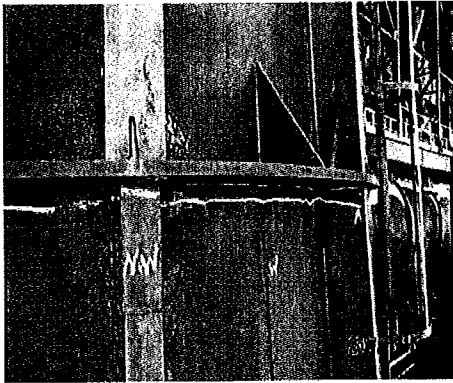
The shell crack continues through the web section and connection welds of the North-west stiffener.



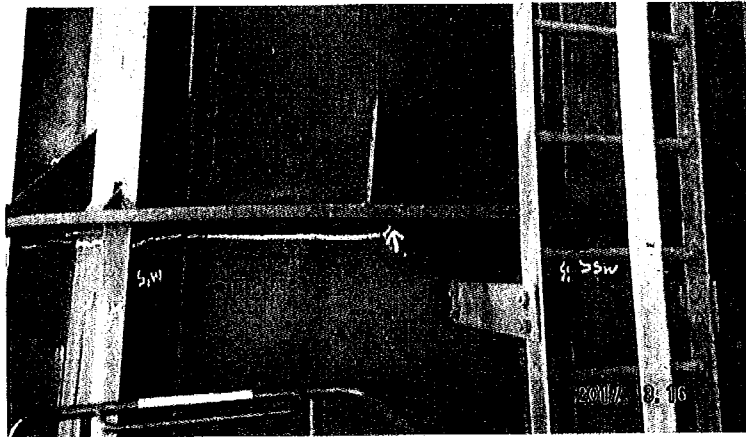
The shell crack migrates to the upper weld of the ring stiffener at the North-west vertical stiffener.



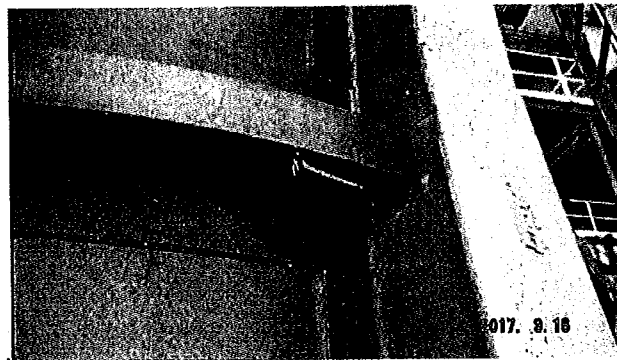
The shell crack continues from the North-west vertical stiffener under the ring stiffener along the West side to the South-west vertical stiffener, and through the web of the South-west vertical and flange to stiffener ring upper side..



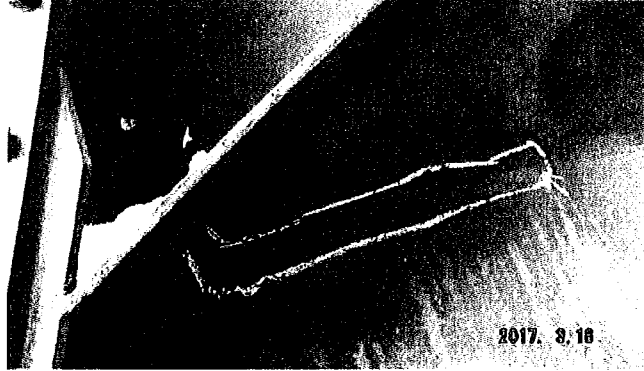
The shell crack then continues past the South-west vertical stiffener on the underside of the stiffener ring approximately two (2) feet for a total length of approximately twenty-five (25) feet overall.



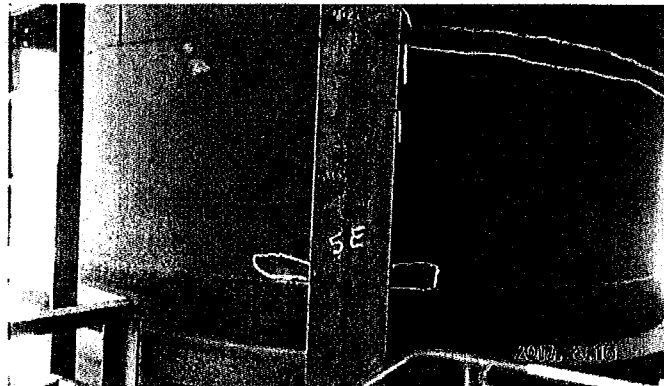
At the South-west vertical stiffener B/S at the next level ring there are cracks at the shell approximately eight (8) inches on either side of the vertical.



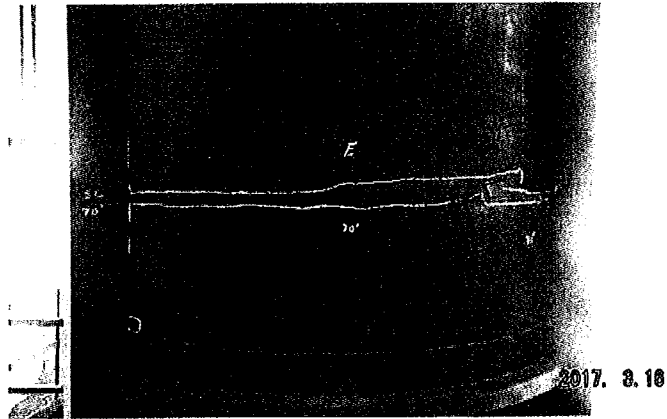
At the South-east side of the stack at the duct transition the weld is cracked approximately thirty (30) inches, horizontal.



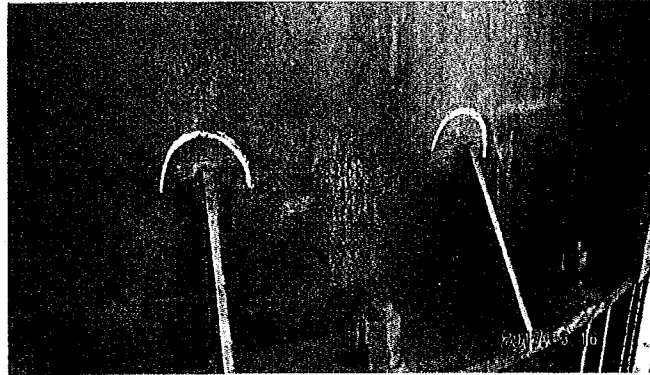
At the South-east vertical stiffener at the first channel stiffener above the 15" x 1 1/2" stiffener ring (66 feet) there is a shell crack eight to twelve (8 – 12) inches on either side and behind the stiffener and through the web..



At approximately seventy (70) feet from grade on the East side of the stack there is a shell crack from the South-east to the North-east vertical stiffeners.

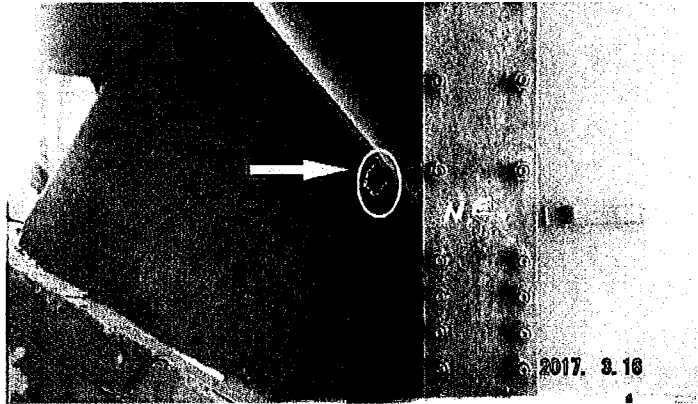


At the base of the stack on the West side, at the top of two (2) stiffener gussets there are horizontal cracks in the stack shell approximately four (4) inches long.



Stack #2 (middle)

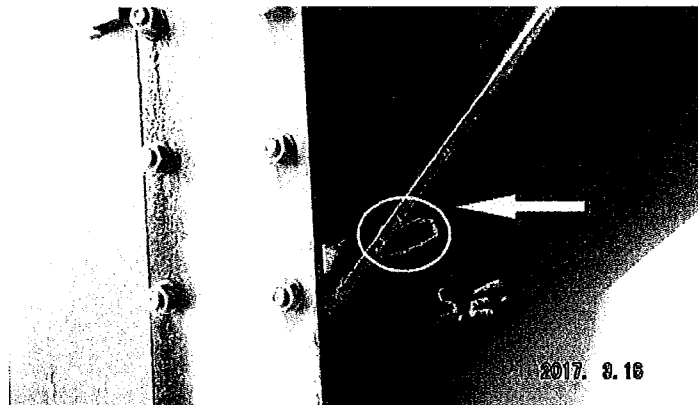
At the North-east vertical stiffener the duct to stack transition shows a crack in the duct.



At the West vertical stiffener the flange weld to the 15" x 1 1/4" ring stiffener there is a crack.

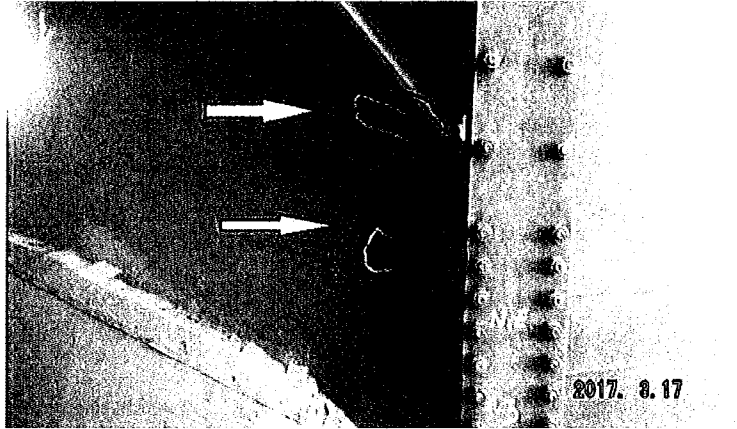


At the South-east vertical stiffener the duct to stack transition weld is cracked six (6) inches.

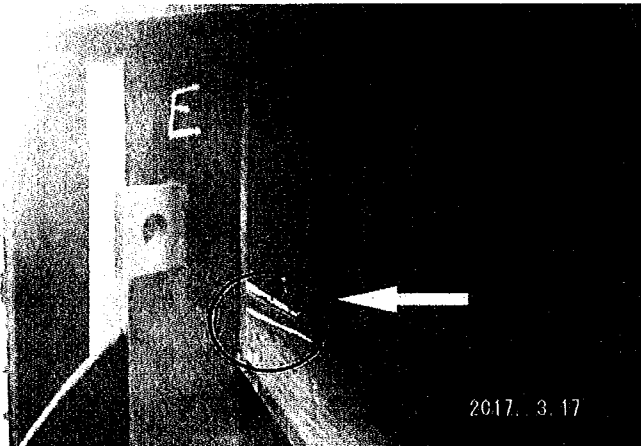


Stack # 3 (South)

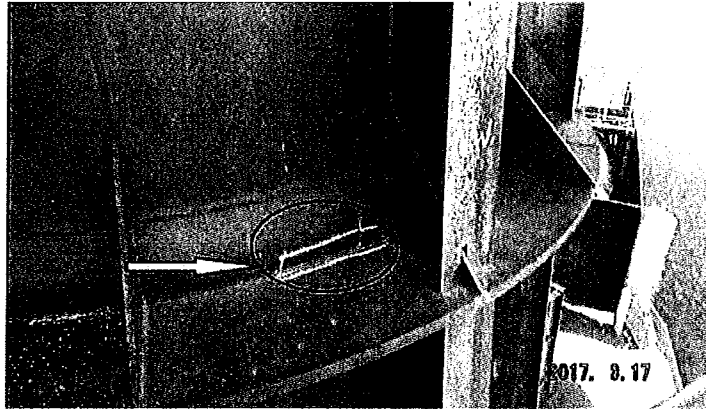
At the North-east vertical stiffener, the duct to stack transition shows two (2) cracks – fifteen (15) inches in a previous weld repair and ten (10) inches at the transition.



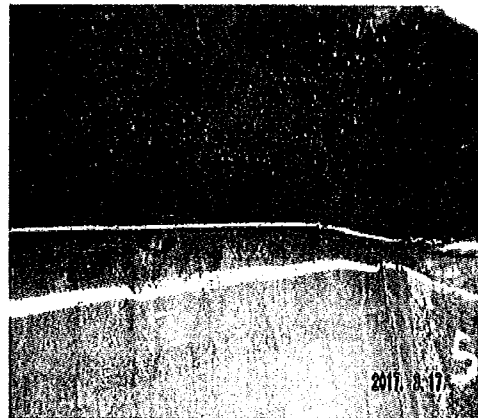
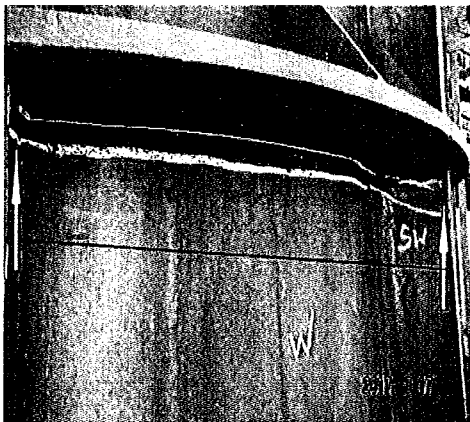
At the top of the North-east flute stiffener plate the weld is cracked 100% at the vertical stiffener web.



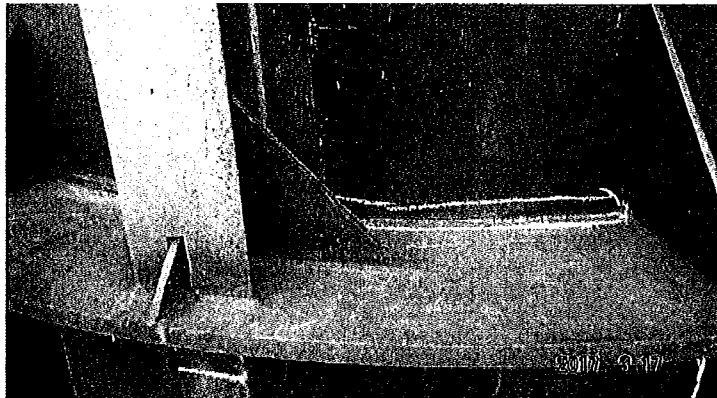
At the North-west vertical stiffener (approximate 148'-3" elevation) the ring stiffener to stack shell weld is cracked (overplate previous repair?) both top and underside.



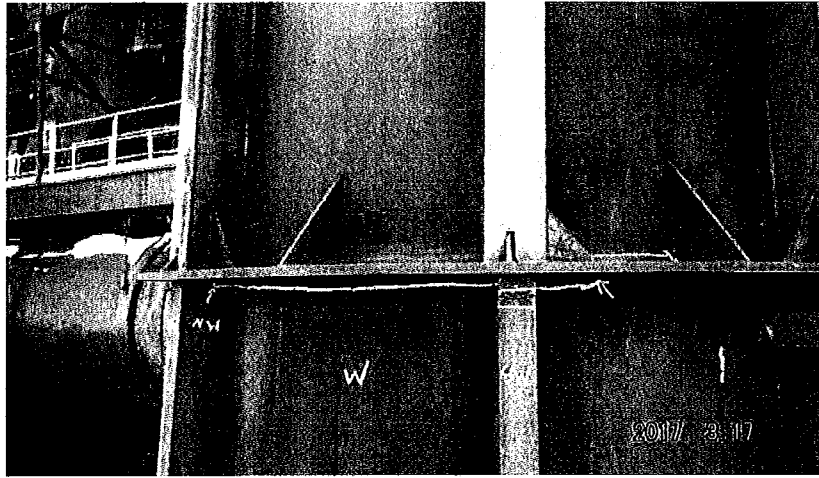
At the West side of the stack the stack shell, vertical stiffeners NNw and SW are cracked on the underside of the ring stiffener plate approximately seven (7) feet.



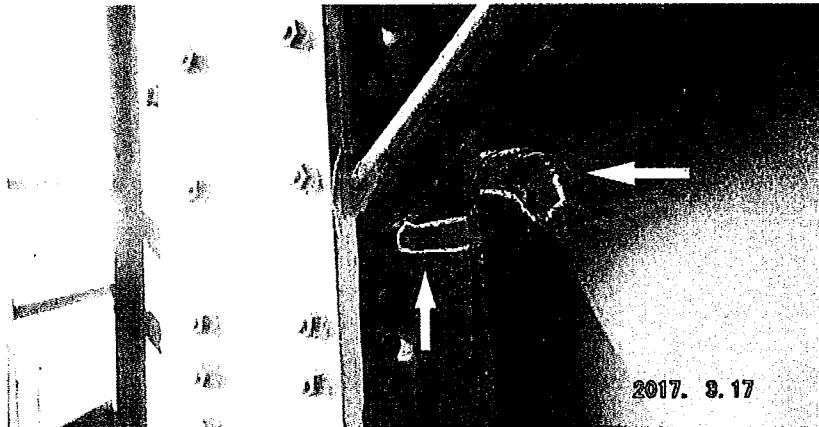
At the South-west vertical stiffener on the top side of the ring stiffener plate the shell is cracked approximately twenty-four (24) inches.



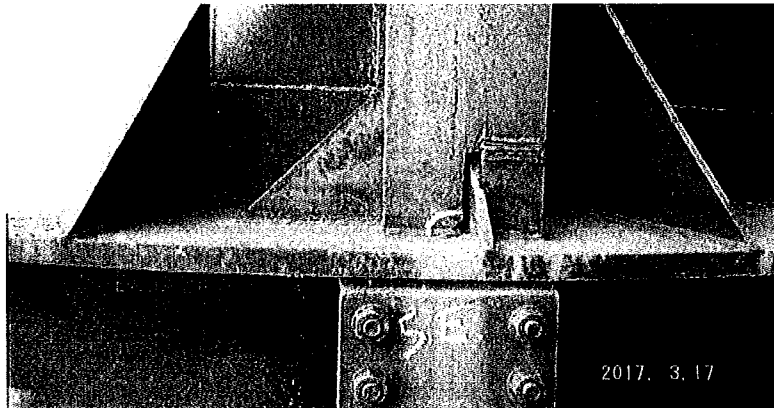
Overall view of West side approximately nine (9) feet total of shell crack.



At the South-east vertical stiffener, at the stack to duct transition there are two (2) cracks, one through the stiffener flange at the shell and at the transition.



At the South-east vertical stiffener to the 15 x 1 1/4" stiffener ring the flange to ring weld is cracked.



Summary

The condition of the #1 stack shows the structural integrity to be compromised at the 148'-3 elevation with approximately 70+% of the circumference with indications of shell cracks, stiffer disconnect and requires immediate attention.

#2 stack generally has only minor weld deficiencies.

#3 stack shell on the West side shows signs of failure that should be addressed as soon as possible to prevent further propagation of the crack in the shell.

The inspection was performed from the outside only using visual method to provide this report. Magnetic Particle testing may determine further discontinuities. Thickness readings of the shell were not taken during the course of this inspection.

R Hughes, S Ockenden Inspectors

Tab C

Appendix "C"
Amended Land Vehicle Budget

Legacy Lands ("Land Vehicle")

Amended Short Term Cash Flow Budget

	Notes	Actual		Forecast				2017
		Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	TOTAL
Receipts								
Total Scrap Mining Net Revenue	1	-	-	-	(75,000)	75,000	75,000	75,000
Total Lease Revenues	2	-	-	103,024	40,942	31,041	53,041	228,048
Red Oxide Sale	3	-	-	20,000	-	-	-	20,000
Total Receipts		-	-	\$123,024	(\$34,058)	\$106,041	\$128,041	\$323,048
Disbursements								
Total Insurance	4	-	(43,200)	(175,000)	-	-	-	(218,200)
Total Property Taxes	5	-	-	(164,782)	(24,019)	-	-	(188,801)
Total Facility Costs	6	-	-	(132,498)	(44,166)	(44,166)	(44,166)	(264,996)
Red Oxide disposal	7	-	(22,577)	-	(10,000)	(10,000)	(10,000)	(52,577)
Professional and Consulting Fees	8	-	(5,564)	(20,000)	(32,600)	(32,600)	(32,600)	(123,364)
Transportation and Office expenses	9	-	-	(13,000)	(13,000)	(13,000)	(13,000)	(52,000)
Engineering services	10	-	-	(20,000)	(20,000)	(20,000)	(20,000)	(80,000)
Environmental management plan expenses	11	-	-	(20,000)	(20,000)	(20,000)	-	(60,000)
Other consulting services	12	-	-	-	-	-	-	-
Surveying, drilling and demolition expenses	13	-	-	(60,000)	-	-	-	(60,000)
Board expenses	14	-	-	-	(25,000)	(25,000)	(25,000)	(75,000)
Contingent expenses	16	-	-	(500,000)	-	-	-	(500,000)
Total Disbursements		-	(\$71,341)	(\$1,105,280)	(\$188,785)	(\$164,766)	(\$144,766)	(\$1,674,938)
Net Inflow/(Outflow)		-	(71,341)	(982,256)	(222,843)	(58,725)	(16,725)	(1,351,890)
Cash Balance								
Opening Cash		250,000	250,000	178,659	696,403	473,560	414,835	
Net Inflow/Outflow		-	(71,341)	(982,256)	(222,843)	(58,725)	(16,725)	
Provincial Land Facility Draws	15	-	-	1,500,000	-	-	-	
Provincial Land Facility (Payback)	15	-	-	-	-	-	-	
Ending Cash		\$250,000	\$178,659	\$696,403	\$473,560	\$414,835	\$398,110	
Provincial Land Facility								
Opening Balance		250,000	250,000	250,000	1,750,000	1,750,000	1,750,000	
Draw / (Payback)		-	-	1,500,000	-	-	-	
Ending Balance		\$250,000	\$250,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	

NOTES to the Land Vehicle Amended Short Term Budget

- 1 Scrap mined from the legacy lands is able to be sold through a third party vendor. Under the proposed arrangement being negotiated, the Land Vehicle pays for equipment costs of approximately \$75K per month, and then receives approximately \$150K per month in revenues for the scrap that is mined and sold.
- 2 These lease revenues include approximately the following amounts, with receipts expected to begin immediately:
 - \$10K per quarter from Hamilton property leased by Dofasco per the current lease agreement
 - \$31K of monthly lease revenue from other smaller Hamilton properties where Stelco is expected to remain as tenant (e.g. Met Lab premises, HSM Computer room premises, and Tractor Garage premises).

Additionally, there's an estimated \$3.7K of monthly lease revenue from farms on LEW property forecast to be all collected for six months beginning December 2017.

- 3 There are red oxide piles on the non-leased Land Vehicle lands that need to be removed. Historically, these materials were provided to construction companies at zero cost but USSC paid for the loading costs to ship the material offsite (see note 7). In July, an opportunity presented itself for the one time sale of 5000 tons. This is the forecast receipt from that sale.
- 4 General liability insurance is currently being provided under Stelco's policy until June 30, 2018. The Land Vehicle's portion was paid by the Land Vehicle in August 2017.

D&O insurance is still in the process of being negotiated and purchased. This \$75,000 estimate includes the most recent estimates obtained, as well as an additional reserve for any potential changes until negotiations are complete.

Property insurance for the Land Vehicle is being provided at no cost to Land Vehicle through Stelco's property insurance policy for three months until September 2017. After September, independent insurance coverage will need to be obtained. This \$100,000 estimate includes the most recent estimates obtained, as well as an additional reserve for any potential changes until negotiations are complete.

- 5 On June 30, Stelco paid approximately \$1.5M for Hamilton property taxes relating to the post June 30 time frame for the entire property, with the Land Vehicle to reimburse Stelco for its allocation of these taxes. While the allocation of property tax between Stelco and the Land Vehicle is still to be determined, an estimated allocation has been forecast to be reimbursed to Stelco in September 2017.

Due to the prepayment by Stelco, there is only one more 2017 installment left for Hamilton, but there are two installments left for the Lake Erie property. The invoice for the remaining 2017 Hamilton installment has been received and is due on September 30, 2017. An estimated allocation of the Land Vehicle's portion of the Hamilton installment has been forecast to be paid in September 2017. An estimated allocation for the remaining Lake Erie property tax outstanding has been forecast to be paid in two installments in September and October 2017. These estimates will be updated once an allocation analysis has been agreed upon with Stelco.

- 6 Facility costs are incurred by Stelco and it is expected that a portion of the costs for those services will be passed to the Land Vehicle. Costs for these facility services (such as fire and security, track maintenance, road cleaning and maintenance, utilities, etc.) have been estimated for each service and are forecast to be paid evenly in monthly installments, after an initial catch up payment in September. As these services and their allocated costs are still under negotiation, these estimates will be updated once an agreement has been reached with Stelco.
- 7 As discussed in note 3, these are the monthly expenses to dispose of the red oxide piles (including the rental of the loading machine(s) required), estimated at approximately \$2 per ton to load the material at 5000 tons per month. These piles are part of the secondary materials on the legacy lands that need to be addressed.

- 8 These are the estimated professional fees for consultants and other professional services for the daily operation of the Land Vehicle and other Land Vehicle matters. These estimates exclude any fees for EY and Bennett Jones, in respect of services provided related to the Interim LRO position, which are expected to be paid from the Administrative Reserve, established pursuant to the Plan.
- 9 Estimated expenses for transportation (e.g. vehicle lease, maintenance, gas, etc.), and other office expenses (e.g. outsourced administrative back office support, phone and other miscellaneous expenses), which are forecast to be paid monthly.
- 10 Estimated fees for engineering consultant services, and other engineering expenses forecast to be paid monthly with services expected to begin in September 2017.
- 11 Estimated fees for environmental consultants to develop an environmental management plan and assistance in meeting any other environmental requirements thereafter, forecast to be paid monthly beginning in September 2017.
- 12 Other consulting services are assumed to begin beyond the short term period.
- 13 Surveying, drilling and demolition expenses are generally assumed to begin beyond the short term period, with the exception of expenses related to the demolition of three basic oxygen furnace smoke stacks on the Hamilton property. Discussions and negotiations are in process to hire the appropriate vendor(s) to undertake the demolition and removal in September 2017, but has been currently estimated at a net \$60K.
- 14 Board of Directors expenses and related legal costs have been currently estimated to be in the range of \$25,000 per month and are forecast to begin in October 2017.
- 15 In accordance with the credit agreement for the Province Land Facility, draws must be in a minimum amount of \$500,000 with increases in multiples of \$100,000 thereafter. A draw on the facility has been forecast to occur once the cash balance is expected to drop below \$100,000 for the full cash requirement needs of the remaining 2017 calendar year in order to maintain an appropriate minimum level of cash for operations.
- 16 Potential expenses to address contingent liabilities that have not yet been fully determined.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO U. S. STEEL CANADA INC.**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

**FORTY-FIFTH REPORT OF THE MONITOR
SEPTEMBER 20, 2017**

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Counsel to Ernst & Young Inc., the Monitor

Tab 3

Court File No. CV-14-10695-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)	MONDAY, THE 25TH
)	
JUSTICE WILTON-SIEGEL)	DAY OF SEPTEMBER, 2017

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
 COMPROMISE OR ARRANGEMENT WITH RESPECT TO
 U. S. STEEL CANADA INC.

ORDER

(BOF Stacks Agreements and OPEB Transition Administration Matters)

THIS MOTION, made by Ernst & Young Inc. in its capacity as Court-appointed monitor (the “**Monitor**”) of Stelco Inc. (formerly U.S. Steel Canada Inc.) (“**USSC**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), was heard this day at 330 University Avenue, Toronto, Ontario.

WHEREAS by order dated June 27, 2017 (the “**OPEB Administration Transition Order**”), this Court ordered, among other things, the establishment of a new transition fund (the “**Interim Stelco OPEB Fund**”) for the payment of certain OPEBs to eligible Stelco retirees on a transitional basis, to be administered until September 30, 2017 unless terminated earlier in accordance with the terms of the OPEB Administration Transition Order;

AND WHEREAS by order dated September 8, 2017 (the “**Land Vehicle Budget and BOF Stacks Order**”), this Court, among other things, (i) authorized the Land Vehicle to proceed with the demolition and removal of the three idled basic oxygen furnace stacks (the “**BOF Stacks**”) located on the HW Lands; (ii) authorized the LRO to complete any negotiations, make any arrangements and execute any definitive agreements for and on behalf of the Land Vehicle

with respect to the demolition and removal of the BOF Stacks; and (iii) permitted the LRO to seek any further directions or orders of the Court as it deems necessary or advisable in connection with the BOF Stacks, including in respect of any arrangements or definitive documents with respect to the demolition and removal thereof;

ON READING the Motion Record, including the notice of motion (the “**Notice of Motion**”) and Forty-Fifth Report of the Monitor dated September 20, 2017 (the “**Forty-Fifth Report**”) and on hearing the submissions of counsel for the Monitor and such other counsel as were present:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Forty-Fifth Report and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Second Amended and Restated Plan of Compromise, Arrangement and Reorganization of the Applicant under the CCAA and the *Canada Business Corporations Act* (the “**CBCA**”) dated June 9, 2017 concerning, affecting and involving USSC (the “**CCAA Plan**”), the OPEB Administration Transition Order and the Land Vehicle Budget and BOF Stacks Order.

INTERIM OPEB BENEFITS

3. **THIS COURT ORDERS AND DIRECTS** that after the balance held in Sub-Account B, administered on behalf of, and solely for the benefit of, 1005 HW Retirees, is paid into the USW Local 1005 ELHT, on or as soon as practicable after September 30, 2017, pursuant to and in accordance with the OPEB Administration Transition Order, the Monitor be and is hereby authorized to assist the trustees of the USW Local 1005 ELHT in the administration of benefits payable from the USW Local 1005 ELHT on a temporary basis, from October 1, 2017 to December 31, 2017 or until such earlier date as the Monitor’s assistance is no longer required, substantially on the same terms and basis as the Monitor’s role, duties and work in connection with the Interim Stelco OPEB Fund pursuant to the OPEB Administration Transition Order.

4. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in the OPEB Administration Transition Order, Sub-Account C and Sub-Account D of the Interim Stelco OPEB Fund shall be continued for the provision of OPEBs to Non-USW Retirees and the Legacy Stelco Retirees, respectively, until December 31, 2017, or (i) in respect of Sub-Account C, until such earlier time as the Trustees of the Non-USW ELHT direct the termination of Sub-Account C and payment of the balance of Sub-Account C into the Non-USW ELHT, or (ii) in respect of Sub-Account D, until such time as the Non-USW ELHT, the USW Local 1005 ELHT or the USW Local 8782 ELHT assumes responsibility for the payment of OPEBs to the Legacy Stelco Retirees, at which time Sub-Account D shall be terminated. Sub-Account C and Sub-Account D as continued hereunder shall be administered and maintained in accordance with the OPEB Administration Transition Order.

5. **THIS COURT ORDERS** that the balance held in Sub-Account D on September 30, 2017, or as soon thereafter as reasonably practicable, shall be paid to Stelco.

6. **THIS COURT ORDERS** that on October 1, 2017, the Monitor shall transfer up to a maximum amount of \$20,000.00 of the proceeds it is holding pursuant to Schedule 3.1 of the Provincial OPEB Credit Facility into Sub-Account D for the provision of OPEBs to Legacy Stelco Retirees. Any monies remaining in Sub-Account D on December 31, 2017, or the earlier date of termination, shall be paid as directed by Stelco, provided that such monies must be used for the provision of OPEBs for Legacy Stelco Retirees.

7. **THIS COURT ORDERS** that nothing in this Order shall affect, change, alter or amend the treatment and administration of the Sub-Account A, administered on behalf of, and solely for the benefit of, 8782 Retirees, under the OPEB Administration Transition Order.

8. **THIS COURT ORDERS** that the Monitor shall be entitled to payment of its fees and costs (including any fees and costs of its counsel) from the Administration Reserve in connection with (i) assistance provided to the USW Local 1005 ELHT and its trustees between October 1, 2017 and December 31, 2017, and (ii) the continuation of Sub-Account C and Sub-Account D of the Interim Stelco OPEB Fund until December 31, 2017 or earlier date of termination. The USW Local 1005 ELHT and the Non-USW ELHT shall reimburse (on a pro-rata basis based upon the relative numbers of beneficiaries of each such ELHT for the relevant period that the Monitor is providing services, or on such other basis as may be agreed upon between USW Local 1005

ELHT, Non-USW ELHT and Stelco, or as ordered by this Court) the Administration Reserve for such fees and costs by January 31, 2018.

APPROVAL OF THE BOF STACKS-RELATED AGREEMENTS

9. **THIS COURT ORDERS** that the BOF Stacks Removal Services Agreement substantially in the form attached as Schedule “A” to the Forty-Fifth Report (the “**BOF Stacks Removal Services Agreement**”) be and is hereby approved, and the LRO be and is hereby authorized and empowered to cause the Land Vehicle (including Legacy Lands Hamilton Inc.) to enter into, and is directed to execute and deliver, the BOF Stacks Removal Services Agreement, for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.).

10. **THIS COURT ORDERS** that the BOF Stacks Removal Cost Reimbursement Agreement substantially in the form attached hereto as Schedule “B” the Forty-Fifth Report (the “**BOF Stacks Removal Cost Reimbursement Agreement**”) be and is hereby approved, and the LRO be and is hereby authorized and empowered to cause the Land Vehicle (including Legacy Lands Hamilton Inc.) to enter into, and is directed to execute and deliver, the BOF Stacks Removal Cost Reimbursement Agreement, for and on behalf of the Land Vehicle (including Legacy Lands Hamilton Inc.).

AMENDED LAND VEHICLE CASH FLOW BUDGET

11. **THIS COURT ORDERS** that the amended short term cash flow budget through December 31, 2017, attached as Appendix “C” to the Forty-Fifth Report (the “**Amended Land Vehicle Budget**”) is hereby approved and that the Land Vehicle, and the LRO on behalf of the Land Vehicle, are hereby authorized to make any expenditures consistent therewith, whether incurred prior to or after the date of this Order, and that such authorization is hereby given pursuant to paragraph 11 of the Interim Land Governance Order and any prior Order of the Court requiring leave or authorization of the Court for the incurrence of such expenditures.

12. **THIS COURT ORDERS** that, in addition to any draw requests made to secure the necessary funds required to make the expenditures authorized by the Land Vehicle Budget and BOF Stacks Order, the Land Vehicle and the LRO on behalf of the Land Vehicle are hereby authorized to make one or more draw requests under the Province Land Vehicle Loan (as defined

in the Plan) to secure the necessary funds to make the expenditures authorized by paragraph 11 of this Order.

GENERAL

13. **THIS COURT ORDERS** that the Monitor, including in its capacity as LRO, shall continue to have the benefit of all the indemnities, charges, protections and priorities as set out in the Initial Order, the Plan, the Sanction Order, the Interim Land Governance Order, the OPEB Administration Transition Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in the fulfillment of its duties or in the carrying out of the provisions of this Order.

14. **THIS COURT ORDERS** that the Forty-Fifth Report and the activities of the Monitor, including in its capacity as LRO, described in the Forty-Fifth Report are hereby approved.

**ONTARIO
SUPERIOR COURT OF JUSTICE (COMMERCIAL
LIST)**

Proceeding Commenced at Toronto

ORDER

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Counsel to Ernst & Young Inc., Court-appointed
Monitor

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO U. S. STEEL CANADA INC.

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

MOTION RECORD

(BOF Stacks Agreements and OPEB Transition
Administration Matters)

(Returnable September 25, 2017)

BENNETT JONES LLP

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