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Counsel for the Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:	)	Chapter 11
PATRIOT COAL CORPORATION, et al.,	)	Case No. 15-32450 (KLP)
Debtors.	)	Jointly Administered

NOTICE OF FILING OF SECOND AMENDED PLAN SUPPLEMENT

PLEASE TAKE NOTICE that on September 25, 2015, the Debtors filed certain documents comprising the amended Plan Supplement (the "Amended Plan Supplement") in connection with confirmation of the *Debtors' Fourth Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1579] (as may be amended, modified, or supplemented, the "Plan").[1]

[1] All capitalized terms used but not otherwise defined herein and in each of the Exhibits hereto shall have the meanings set forth in the Plan.

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the following documents, further supplementing the Amended Plan Supplement (the "Second Amended Plan Supplement" and, together with the Amended Plan Supplement, the "Plan Supplement"):

Exhibit	Description
A	Blackhawk LLC Agreement
B	**[**Previously Filed]
C	Amended Combined Company New ABL Term Sheet
D	Combined Company First Lien Term Sheet
E	[Intentionally Omitted]
F	Combined Company Second Lien Loan Term Sheet
G	[Intentionally Omitted]
H	[Previously Filed]
I	[Previously Filed]
J	[Previously Filed]
K	[Previously Filed]
L	[Previously Filed]
M	[Previously Filed]
N	[Intentionally Omitted]
O	**[**Previously Filed**]**
P	[Intentionally Omitted]
Q	**[**Previously Filed**]**
R	Combined Company Financial Projections
S	Blackhawk APA
T	Coronado APA
U	WVDEP Settlement Term Sheet

PLEASE TAKE FURTHER NOTICE that the Plan Supplement and any exhibits, appendices, supplements, or annexes to the Plan Supplement documents are incorporated into the Plan by reference and are a part of the Plan as if set forth therein. If the Plan is confirmed, the Plan Supplement will be approved as well. The Debtors reserve the right to alter, amend, modify, or supplement any document in the Plan Supplement in accordance with the Plan, the Blackhawk APA, and the VCLF APA, as applicable; provided that if any document in the Plan Supplement is altered, amended, modified, or supplemented in any material respect, the Debtors will file a revised version of such document with the Bankruptcy Court. For the avoidance of doubt, and pursuant to the Plan, if there is any conflict between any Plan Supplement document, on the one hand, and the Blackhawk APA or the VCLF APA, on the other hand, the Blackhawk APA or the VCLF APA shall govern, as applicable.

PLEASE TAKE FURTHER NOTICE that if you would like to obtain a copy of the Plan or the Plan Supplement, you may contact Prime Clerk LLC, the notice and claims agent retained by the Debtors in these chapter 11 cases (the "Notice and Claims Agent"), by calling (844) 864-0639 or, for international callers, (929) 342-0754, or by emailing patriotballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: http://www.vaeb.uscourts.gov. Please be advised that the Notice and Claims Agent is not permitted to provide legal advice.

Dated: October 8, 2015
Richmond, Virginia

Respectfully submitted,

/s/ Michael A. Condyles

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Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
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Counsel for the Debtors and
Debtors in Possession

EXHIBIT A

Blackhawk LLC Agreement

ADOPTION AGREEMENT

This Adoption Agreement is executed by the undersigned pursuant to the Third Amended and Restated Operating Agreement of Blackhawk Mining LLC (the "Company"), dated June 22, 2015, a copy of which is attached hereto and is incorporated herein by reference (the "Operating Agreement"). By the execution of this Adoption Agreement the undersigned agrees as follows:

1. Acknowledgment. The undersigned acknowledges that the undersigned is receiving ____ Class B Units and is subject to the terms and conditions of the Operating Agreement (including the Schedules and Exhibits thereto). Capitalized terms used herein without definition are defined in the Operating Agreement and are used herein with the same meanings set forth therein.

2. Operating Agreement. The undersigned hereby joins in and agrees to be bound by and subject to the terms of the Operating Agreement (including the Schedules and Exhibits thereto) with the same force and effect as if he were originally a party thereto.

3. Notice. Any notice required or permitted by the Operating Agreement shall be given to the undersigned at the address listed below.

EXECUTED AS A DEED AND DATED on this ____ day of _____, 2015.

_____
[Name/Company Name]

By: _____
Name: _____
Title: _____

Notice Address: _____
_____
_____
Facsimile: _____

Execution Version

THIRD AMENDED AND

RESTATED OPERATING

AGREEMENT OF

BLACKHAWK MINING LLC

June 22, 2015

Units in Blackhawk Mining LLC (the "Company") have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or the state securities laws of any state. Without such registration, Units may not be sold, pledged, hypothecated, or otherwise transferred by a Member at any time whatsoever, except upon delivery to the Company of an opinion of counsel satisfactory to the Company that registration is not required for such transfer and/or the submission to the Company of such other evidence as may be satisfactory to the Company to the effect that any such transfer will not violate the Securities Act of 1933, as amended, and/or applicable state securities laws, and/or any rule or regulation promulgated thereunder. In addition, any sale or other transfer of Units is subject to certain restrictions that are set forth in this Agreement. A legend to such effect shall be set forth on the face of any certificate representing the Units.

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THIRD AMENDED AND RESTATED OPERATING AGREEMENT OF BLACKHAWK MINING LLC

THIS THIRD AMENDED AND RESTATED OPERATING AGREEMENT ("**Agreement**") is made, entered into and effective as of the 22nd day of June, 2015 (the "**Effective Date**") by and among (i) **JMP COAL HOLDINGS, LLC** ("**JMPCH**"), a Kentucky limited liability company, (ii) **JMP**, (iii) **JMP Holdings, LLC,** a Kentucky limited liability company ("**JMP Holdings**"), (iv) **GRIERS CREEK ADVISORS, LLC**, a Kentucky limited liability company ("**GCA**"), (iv) **RWE TRADING AMERICAS, INC.**, a Delaware corporation ("**RWE**"), and (v) **BLACKHAWK MINING LLC**, a Kentucky limited liability company (the "**Company**"). For purposes of this Agreement, the term "**Members**" means those Persons admitted to the Company as Members in accordance with this Agreement, as amended from time to time, in their capacities as members of the Company, including both the Class A Members and the Class B Members (each as defined in Section 1.1). "**Member**" means any of the foregoing individually. As of the date hereof, each of JMP, JMP Holdings, GCA, JMPCH and RWE are Class A Members, and each of the Persons listed in Schedule B are Class B Members.

AGREEMENT:

WHEREAS, the Members amended the Second Amended and Restated Operating Agreement on October 29, 2012 and February 28, 2013;

WHEREAS, the Members desire to reflect the prior amendments and the purchase by JMP Holdings of 1,510 Class A Units from RWE and the admission of JMP Holdings as a Member.

NOW, THEREFORE, the parties hereby agree to amend and restate the Existing Operating Agreement (as hereinafter defined) to read as follows:

ARTICLE I. DEFINITIONS

Section 1.1 ***Certain Definitions***. As used in this Agreement, the following terms have the meanings set forth below:

"**Act**" means the Kentucky Limited Liability Company Act, as amended from time to time.

"**Adjusted Capital Account**" means, with respect to any Interest Holder, the balance in such Interest Holder's Capital Account after giving effect to the following adjustments:

(1) Increase such balance by any amounts which such Interest Holder is obligated to restore pursuant to this Agreement or is deemed to be obligated to restore to the Company pursuant to Treasury Regulation § 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Treasury Regulation § 1.704-2(g)(1) and 1.704-2(i)(5); and

(2) Decrease such balance by such Interest Holder's share of the items described in Treasury Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"**Affiliate**" means, with respect to any person or entity, any person or entity which controls, is controlled by, or is under common control with such person or entity. For the avoidance of doubt, Hawkeye Contracting, LLC, Eagle Creek Mining, LLC, Falcon Ridge Leasing, LLC, JMP Holdings and JMPCH shall be considered Affiliates of JMP.

"**Agreement**" has the meaning set forth in the preamble, as the same may be amended from time to time.

"**Auditor**" means a nationally recognized certified public accountant engaged by the Company.

"**Authorizing Board Member**" has the meaning set forth in Section 11.3(f).

"**Authorized Board Member**" has the meaning set forth in Section 11.3(f).

"**Blocker Corporation**" has the meaning set forth in Section 13.11(b).

"**Blocker Holder**" has the meaning set forth in Section 13.11(b).

"**Board**" means the board of managers of the Company.

"**Board Appointee**" has the meaning set forth in Section 11.5(b).

"**Business**" means, with respect to any Person, the production and sale of coal for the account of such Person or any of its Affiliates, which, for the avoidance of doubt, shall not include (i) conducting contract mining, mine construction or reclamation activities for the account of a third party that is not an Affiliate of such Person or any of its Affiliates, (ii) providing consulting services for the account of a third party that is not an Affiliate of such Person or any of its Affiliates, (iii) selling or leasing mining equipment for the account of a third party that is not an Affiliate of such Person or any of its Affiliates or (iv) investment in mineral properties (provided, however, that any investment in mineral properties that is consummated after the date of this Agreement shall not be permitted within Floyd, Magoffin, Perry, Breathitt or Wolfe Counties in the Commonwealth of Kentucky; provided, further, that any production or sale of coal from any such mineral properties contemplated by this clause (iv) is done for the account of a third party that is not an Affiliate of such Person or any of its Affiliates).

"**Business Day**" means any day that is not a Saturday, a Sunday, or other day on which banks are required or authorized by law to be closed in New York, New York or Lexington, Kentucky.

"**Capital Account**" has the meaning set forth in Section 5.8.

"**CarCoal**" means CarCoal Investments, LLC, a Delaware limited liability company.

"**Change of Control**" means any transaction or series of related transactions resulting in John Mitchell Potter and Thomas A. Potter and their respective Affiliates ceasing to hold (x) at least 50.1% of the Class A Units or (y) the ability to appoint a majority of the members of the Board.

"**Class A Member**" means any Member that holds Class A Units from time to time in accordance with the terms of this Agreement.

"**Class A Unit**" means a Unit representing a limited liability company interest in the Company designated as a Class A Unit and having the rights, preferences and designations provided for Class A Units herein.

"**Class B Adoption Agreement**" means an agreement in the form set forth on Exhibit A entered into on October 9, 2012 by the Class B Members listed on Schedule B.

"**Class B Conversion**" has the meaning set forth in Section 13.11(a).

"**Class B Member**" means any Member that holds Class B Units from time to time in accordance with the terms of this Agreement, and which has executed a Class B Adoption Agreement.

"**Class B Subscription Agreement**" means a Subscription Agreement entered into on October 9, 2012 between the Company and each Class B Member listed on Schedule B in connection with the issuance of the Class B Units.

"**Class B Unit**" means a Unit representing a limited liability company interest in the Company designated as a Class B Unit and having the rights, preferences and designations provided for Class B Units herein.

"**Coal Marketing Agreement**" means the Amended and Restated Coal Marketing and Agency Agreement, dated June 22, 2015, by and between the Company and RWE Supply & Trading GmbH, or another Affiliate of RWE permitted pursuant to such agreement, as it may be amended, modified, supplemented or restated from time to time.

"**Coal Sale Agreement**" means the Amended Master Coal Purchase and Sale Agreement, dated June 22, 2015, by and between the Company and RWE Supply & Trading GmbH, or another Affiliate of RWE permitted pursuant to such agreement, as it may be amended, modified, supplemented or restated from time to time.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Company**" has the meaning set forth in the preamble.

"**Credit Agreement**" means the Credit Agreement, dated October 5, 2012, as amended from time to time, by and among the Company, Deutsche Bank Trust Company Americas, as administrative agent, and the lenders party thereto.

"**Depreciation**" means, for each Fiscal Year or other applicable period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to property for such Fiscal Year or other period, except that (a) with respect to any property the Gross Asset Value of which differs from its adjusted tax basis for federal income tax purposes and which difference is being eliminated by use of the remedial allocation method pursuant to Treasury Regulation § 1.704-3(d), Depreciation for such Fiscal Year or other

period shall be the amount of book basis recovered for such Fiscal Year or other period under the rules prescribed by Treasury Regulation § 1.704-3(d)(2), and (b) with respect to any other property the Gross Asset Value of which differs from its adjusted tax basis at the beginning of such Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis; provided that, if the adjusted tax basis of any property at the beginning of such Fiscal Year or other period is zero, Depreciation with respect to such property shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

"**Drag-Along Notice**" has the meaning set forth in Section 13.8(b).

"**Drag-Along Price**" has the meaning set forth in Section 13.8(b).

"**Drag-Along Right**" has the meaning set forth in Section 13.8(a).

"**Drag-Along Transaction**" has the meaning set forth in Section 13.8(a).

"**Effective Date**" has the meaning set forth in the preamble.

"**Existing Operating Agreement**" means the Second Amended and Restated Operating Agreement of the Company, dated October 9, 2012, by and among JMP, JMPCH, GCA, RWE and the Company, as amended from time to time.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, as determined in good faith by the Board.

"**Fiscal Year**" has the meaning set forth in Section 6.2.

"**Formation Date**" means May 3, 2010, the date on which the Articles of Organization of the Company were originally filed with the Secretary of State of the Commonwealth of Kentucky.

"**GAAP**" means accounting principles generally accepted in the United States of America.

"**GCA**" has the meaning set forth in the preamble.

"**Gross Asset Value**" means, with respect to any asset, the asset's adjusted basis for United States federal income tax purposes, except as follows:

(1) The initial Gross Asset Value of any asset contributed by an Interest Holder to the Company shall be the gross Fair Market Value of such asset.

(2) The Gross Asset Values of all Company assets immediately prior to the occurrence of any event described in Section 6.7 shall be adjusted to equal their respective gross Fair Market Values.

(3) The Gross Asset Value of any Company asset distributed to an Interest

Holder shall be the gross Fair Market Value of such asset on the date of distribution.

(4) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to section 734(b) of the Code or section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this sub-section (4) to the extent that the Board reasonably determines that an adjustment pursuant to sub-section (2) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this sub-section (4).

(5) If the Gross Asset Value of a Company asset has been determined or adjusted pursuant to sub-sections (1), (2) or (4) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Loss.

"**Immaterial Subsidiary**" means, as of any date, any other subsidiary of the Company whose total consolidated assets, as of such date, are less than $250,000 and whose total consolidated revenues for the most recent 12-month period do not exceed $250,000; provided, however, that a subsidiary will not be considered to be an Immaterial Subsidiary if it, directly or indirectly, guarantees or otherwise provides direct credit support for any indebtedness of the Company or any of its subsidiaries.

"**Initial Public Offering**" means the initial public offering of securities of the Company, any subsidiary of the Company or any successor entity (or any other successor of the Company or of any subsidiary of the Company) for cash pursuant to an effective registration statement under the Securities Act or the comparable statute of any applicable jurisdiction.

"**Interest Holders**" means Members and their assignees who are not admitted as substitute Members, collectively.

"**Involuntary Option**" has the meaning set forth in Section 13.4(a).

"**Involuntary Option Price**" has the meaning set forth in Section 13.5(a).

"**Involuntary Transfer Notice**" has the meaning set forth in Section 13.4(a).

"**JMP**" means JMP Blackhawk, LLC, a Kentucky limited liability company, and its successors, including lenders under senior secured indebtedness of the Company (including, for the avoidance of doubt, the Credit Agreement) upon the foreclosure of such lenders' lien as permitted in Section 13.1(a).

"**JMPCH**" has the meaning set forth in the preamble.

"**JMPCH Member Loan**" means that certain Subordinated Note, dated as of October 9, 2012, issued by the Company in favor of JMPCH in the principal amount of $9,091,667.

"**JMP Holdings**" has the meaning set forth in the preamble.

"**Management Covered Person**" means (a) each current and former Officer (solely in such Person's capacity as an Officer) and (b) each officer or employee of any subsidiary of the Company who the Board expressly designates as a Management Covered Person in a written resolution.

"**Material Subsidiaries"** means each of (i) FCDC Coal, Inc., a Delaware corporation, Martin Coal Processing Corporation, a Kentucky corporation, Wolverine Resources, Inc., a Kentucky corporation, Pine Branch Mining, LLC, a Kentucky limited liability company, and Redhawk Mining, LLC, a Kentucky limited liability company, and (ii) any subsidiary that is not an Immaterial Subsidiary.

"**Member Covered Person**" means (a) each Member (including in any such Member's capacity as Tax Matters Member, if applicable); (b) each of such Member's officers, directors, liquidators, partners, equityholders, managers and members; (c) each of such Member's Affiliates (other than the Company and its subsidiaries) and each of their respective officers, directors, liquidators, partners, equityholders, managers and members; (d) each member of the Board; and (e) any representatives, agents or employees of any Person identified in clauses (a)-(d) of this definition who the Board expressly designates as an Member Covered Person in a written resolution; provided, however, the foregoing individuals, if acting in the capacity as an Officer, shall be deemed to be Management Covered Persons.

"**Members**" has the meaning set forth in the preamble.

"**Member Loan**" has the meaning set forth in Section 5.4.

"**Member Indemnitees**" has the meaning set forth in Section 11.5(i).

"**Member Indemnitors**" has the meaning set forth in Section 11.5(i).

"**Merger**" shall mean the merger, dissolution, liquidation or consolidation of the Company with or into another Person, or the sale, assignment, lease, transfer, conveyance or other disposition (whether in one transaction or in a series of transactions) of all or substantially all of the assets (whether now owned or hereafter acquired) of the Company and of all of the Material Subsidiaries to or in favor of any Person.

"**Minority Interest Holders**" has the meaning set forth in Section 13.8(a).

"**Net Cash Flow**" means, for any period, the excess, if any, of (A) the sum of (i) all gross receipts from any sources for such period, other than from capital contributions, plus (ii) any funds released by the Board from previously established reasonable commercial reserves for the coal industry (referred to in (B)(ii) below), over (B) the sum of (i) all cash expenditures (including repayment of third-party debt and of any amounts under the JMPCH Member Loan) of the Company for such period not funded by capital contributions or paid out of previously established reserves (referred to in (B)(ii) below), plus (ii) a commercially reasonable reserve for future expenditures and/or debt repayment as reasonably determined by the Board.

"**Net Income**" and "**Net Loss**" mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or period as determined in accordance with section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(1) Any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition shall be added to such taxable income or loss;

(2) Any expenditures of the Company described in section 705(a)(2)(B) of the Code or treated as section 705(a)(2)(B) expenditures pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition shall be subtracted from such taxable income or loss;

(3) Gain or loss resulting from any disposition of assets of the Company where such gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Gross Asset Value of the Company assets disposed of, notwithstanding that the adjusted tax basis of such Company assets differs from its Gross Asset Value;

(4) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period;

(5) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to section 734(b) of the Code or section 743(b) of the Code is required pursuant to Treasury Regulations § 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of an Interest Holder's interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income and Net Loss;

(6) If the Gross Asset Value of any Company asset is adjusted in accordance with subsection (2) or (3) of the definition thereof, the amount of such adjustment shall be taken into account in the Fiscal Year or other period of such adjustment as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss; and

(7) Notwithstanding any other provision of this definition of Net Income and Net Loss, any items of Company income, gain, loss or deduction that are specially allocated pursuant to subsections (b) through (i) of Section 8.1 shall not be taken into account in computing Net Income or Net Loss. The amount of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to the previous sentence or pursuant to such subsections shall be determined pursuant to rules analogous to those set forth in this definition of Net Income and Net Loss.

"**Nonrecourse Deductions**" has the meaning set forth in Treasury Regulation § 1.704-2(b)(1) and 1.704-2(c).

"**Offer Notice**" has the meaning set forth in Section 13.3(a).

"**Officers**" means officers of the Company.

"**Original Members**" means the members of JMP and GCA.

"**Other Interest Holders**" has the meaning set forth in Section 13.7(a).

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or other entity.

"**Prohibited Period**" has the meaning set forth in Section 11.9(c).

"**Proposed Transaction**" has the meaning set forth in Section 11.2(b)(ii)(A).

"**Rules**" has the meaning set forth in Section 19.7(b).

"**RWE**" has the meaning set forth in the preamble.

"**RWE Ancillary Agreements**" means (a) the Coal Marketing Agreement, (b) the Coal Sale Agreement and (c) any Transactions (as such term is defined in the Coal Sale Agreement) entered into between the Company and RWE (or any of its Affiliates) on or after October 9, 2012.

"**RWE Contribution Agreement**" means the Contribution Agreement, dated October 9, 2012, between the Company and RWE.

"**Sale Notice**" has the meaning set forth in Section 11.2(b)(ii)(A)(1).

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Selling Party**" has the meaning set forth in Section 13.7(a).

"**Tag-Along Notice**" has the meaning set forth in Section 13.7(a).

"**Tag-Along Right**" has the meaning set forth in Section 13.7(a).

"**Tax Distributions**" means distributions made by the Company pursuant to Section 10.1(a).

"Territory" means eastern Kentucky, which, for the avoidance of doubt, consists of all territory east of U.S. Interstate 75 located in the Commonwealth of Kentucky.

"**TMP**" means the tax matters partner.

"**Transferring Interest Holder**" has the meaning set forth in Section 13.10.

"**Unit**" has the meaning set forth in Section 5.2(b).

"**Voluntary Option**" has the meaning set forth in Section 13.3(a).

"**Voluntary Selling Party**" has the meaning set forth in Section 13.3(a).

Section 1.2 ***Construction***.

(a) Unless the context of this Agreement otherwise requires, (i) any pronoun will include the corresponding masculine, feminine and neuter forms, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (iv) the terms "Article", "Section", "Attachment", "Appendix" and "Exhibit" refer to the specified Article, Section, Attachment, Appendix or Exhibit, respectively, of this Agreement, (v) the word "including" will mean "including, without limitation", (vi) the word "or" will be disjunctive but not exclusive, and (vii) "$" will mean U.S. dollars.

(b) References to this Agreement will be deemed to include all Appendices, Schedules and Exhibits hereto. References to agreements and other documents will be deemed to include all subsequent amendments and other modifications or supplements thereto.

(c) References to statutes will include all regulations promulgated thereunder and references to statutes or regulations will be construed as including all statutory and regulatory provisions consolidating, amending or replacing such statute or regulation.

(d) The headings and subheadings of the Sections contained in this Agreement are solely for the purpose of reference and will not affect the meaning or interpretation of this Agreement.

(e) The language used in this Agreement will be deemed to be the language chosen by the Members to express their mutual intent, and no rule of strict construction will be applied against any Member.

ARTICLE II.
FORMATION; OPERATING AGREEMENT

The Original Members formed the Company as a limited liability company pursuant to the provisions of the Act on the Formation Date. The Original Members executed an Operating Agreement dated the Formation Date, which was amended by a First Amended Operating Agreement dated January 13, 2011 and a Second Amended Operating Agreement dated October 9, 2012. As a result of assignments by certain of the Original Members and the issuance of Units by the Company to CarCoal pursuant to a Contribution Agreement dated March 10, 2011, the sole Members of the Company became JMP, CarCoal and GCA, and such Members entered into the Existing Operating Agreement. As a result of an assignment of Units by GCA to JMPCH on March 18, 2012 and the issuance of Units by the Company to JMPCH pursuant to a Contribution Agreement dated March 30, 2012, the sole Members of the Company became JMP, JMPCH, CarCoal and GCA. In connection with the repurchase of CarCoal's Units and the issuance of Class A Units by the Company to RWE pursuant to the RWE Contribution Agreement, the sole Class A Members of the Company were JMP, JMPCH, RWE and GCA. In connection with the purchase by JMP Holdings of 1,510 Class A Units from RWE, the Members as of the date of this Agreement are set forth on Schedule A. In connection with the issuance of Class B Units by the Company pursuant to the Class B Subscription Agreement, the sole Class B Members of the

Company are those Persons listed in Schedule B, each of whom has executed a Class B Adoption Agreement.

ARTICLE III.
NAME AND OFFICE

Section 3.1 ***Name***. The name of the Company is Blackhawk Mining LLC.

Section 3.2 ***Principal Office/Registered Office***.

(a) The principal office of the Company shall be at 3228 Summit Square Place, Suite 180, Lexington, Kentucky 40509 or at such other place as shall be determined by the Board. The Company may not maintain an office or a principal place of business in any jurisdiction that would jeopardize the limitation of liability afforded to the Members under the Act or this Agreement. The books of the Company shall be maintained at such principal place of business or such other place that the Company shall deem appropriate. The Company shall maintain, at the Company's principal office in Kentucky, those items referred to in Section 275.185(1) of the Act.

(b) The registered office of the Company required by the Act to be maintained in the Commonwealth of Kentucky is 3228 Summit Square Place, Suite 180, Lexington, Kentucky 40509 or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by law. The registered agent of the Company in the Commonwealth of Kentucky is Elbert Foley or such other person or persons as the Board may designate from time to time.

(c) Prior to the Company's conducting business in any jurisdiction other than Kentucky, the Company shall comply with all requirements necessary to qualify the Company as a foreign limited liability company in such jurisdiction. At the request of the Board, each Member agrees to execute, acknowledge, swear to and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

ARTICLE IV.
PURPOSES, TERM, AND BUSINESS OPERATIONS

Section 4.1 ***Purposes***. The purpose of the Company is to engage in all lawful activities in which a limited liability company may engage relating to the production and sale of coal as determined by the Board (or as may be delegated by the Board to the Officers of the Company) pursuant and subject to this Agreement, including owning, operating and managing coal mining operations, coal reserves, real estate, personal property and business investments relating to the production and sale of coal. The purpose may be amended subject to Section 11.2(b)(xi).

Section 4.2 ***Company's Power***. In furtherance of the purposes of the Company as set forth in Section 4.1, the Company shall have the power to do any and all things whatsoever necessary, appropriate or advisable in connection with such purposes, or as otherwise contemplated in this Agreement.

Section 4.3 ***Term***. The term of the Company commenced as of the Formation Date and shall continue until dissolved in accordance with Article XII.

Section 4.4 ***Business Operations***. The Company will establish a corporate compliance program as well as policies related to employee health and safety and environmental issues to be approved by the Board.

ARTICLE V.
CAPITAL

Section 5.1 ***Capitalization***.

(a) The Company is authorized to issue 8,750 Class A Units and 1,250 Class B Units. From time to time, the Board may decide to increase the number of authorized Units, authorize the issuance of a new class of Units or to grant options, warrants, convertible securities and other equivalent securities (in each case as permitted by the Act) in amounts and in different classes as the Board shall determine, in each case subject to Section 5.1(b). As of the date hereof, the Board has authorized the issuance of Class A Units and Class B Units.

(b) Before issuing new Units or any other equity interests in the Company or any of its subsidiaries to a third party or granting options, warrants, convertible securities and other equivalent securities to a third party, the Board must offer each Member the right to purchase such new Units or other securities (subject to the following sentence) in an amount that is proportionate to the total number of Units owned by such Member out of the total number of Units of the Company outstanding immediately prior to such issuance on the same terms and at the same price offered to such third party. Notwithstanding the foregoing, any Class B Member that exercises its rights pursuant to this Section 5.1(b) in connection with a proposed issuance of Class A Units by the Company shall instead acquire a number of Class B Units equal to the number of Class A Units that such Class B Member would otherwise have received in respect of its exercise of its rights pursuant to this Section 5.1(b).

Section 5.2 ***Unit Ownership***.

(a) As of the date of this Agreement, the ownership of Units is set forth on Schedule A, which shall be amended from time to time to reflect changes in ownership.

(b) Interests of Members in the profits and losses of the Company, and the right of Members to distributions and allocations and a return of capital contributions and other amounts and rights specified herein, shall be evidenced by a limited number of units of limited liability company interest in the Company as set forth in Section 5.1(a) (each a "***Unit***"). The rights and privileges associated with each class of Units are as set forth in this Agreement.

Section 5.3 ***Future Capital Contribution***. Notwithstanding anything in this Agreement which may be interpreted to the contrary, the parties agree that before the Board may seek additional capital contributions in accordance with this Section 5.3, the Company shall first use its reasonable best efforts to use existing funds and/or to obtain third-party financing in order to fund the Company's needs for additional operating capital. If the Board determines that the Company requires additional operating capital to meet the day-to-day operating activities of the

Company (but not for expansion of the business or for new acquisitions), the Board shall authorize the Company to issue such additional Class A Units as shall be sufficient to satisfy the additional capital requirements of the Company at such price per Class A Unit as the Board determines to be appropriate in good faith and upon reasonable consideration of the Fair Market Value of the Class A Units. Interest Holders in Class A Units and Class B Units may, but shall not be obligated to, purchase such additional Units in proportion to the number of Units owned by them or in such other percentages as they shall unanimously agree; provided, however, that any Class B Members that exercise their rights pursuant to this Section 5.3 shall receive a number of Class B Units equal to the number of Class A Units they would have received were they Class A Members. If any Interest Holder elects not to purchase all of the additional Units permitted to be purchased by such Interest Holder, then the other Interest Holders may purchase such additional Class A Units in proportion to the number of Units owned by them, or in such other percentages as they shall unanimously agree; provided, however, that any Class B Members that exercise their rights pursuant to this sentence shall receive a number of Class B Units equal to the number of Class A Units they would have received were they Class A Members. If all of the Class A Units authorized to be issued are not purchased by the Interest Holders, the Board may sell such Class A Units to third parties on the same terms as offered to the Interest Holders.

Section 5.4 ***Loans from Interest Holders***. The Members acknowledge that the Company will be in need of funds for equipment purchases and internal growth and the Company shall first seek to borrow such funds from third party lender(s) on terms approved by the Board. The Company may also borrow funds from one or more of the Interest Holders on such terms as shall be agreed to in writing by the Board and such Interest Holders; provided, however, that any such loan shall be on arm's length terms and conditions and on commercially reasonable terms. Any loan from an Interest Holder, which shall be made in such Interest Holder's sole discretion (including, for the avoidance of doubt, the JMPCH Member Loan) shall be referred to herein as a "**Member Loan**."

Section 5.5 ***No Liability of Members***. Except as otherwise specifically provided in the Act, no Interest Holder shall have any personal liability for the obligations of the Company.

Section 5.6 ***No Interest on Capital Contributions***. No Interest Holder shall be entitled to interest on any capital contributions made to the Company other than as provided with regard to any Member Loans.

Section 5.7 ***Withdrawal of Capital***. No Interest Holder shall be entitled to withdraw any part of such Interest Holder's capital contributions to the Company, except as provided in Articles X and XII. No Interest Holder shall be entitled to demand or receive any property from the Company, except as otherwise expressly provided for herein.

Section 5.8 ***Capital Account***. There shall be established on the books of the Company a capital account ("**Capital Account**") for each Interest Holder. It is the intention of the Members that such Capital Account be maintained in accordance with the Code and Treasury Regulation § 1.704-1(b)(2)(iv), and this Agreement shall be so construed. Accordingly, such Capital Account shall initially be credited with the initial capital contribution (the amount of any cash or the Gross Asset Value of any property contributed) of the Interest Holder (net of any liabilities assumed by the Company or to which the contributed property is subject) and thereafter shall be increased by

(i) any cash or the Gross Asset Value of any property contributed by such Interest Holder (net of any liabilities assumed by the Company or to which the contributed property is subject) and (ii) the amount of all Net Income and any other items of income or gain allocated to such Interest Holder hereunder, and decreased by (i) the amount of all Net Loss and any other items of deduction or loss allocated to such Interest Holder hereunder and (ii) the amount of cash and the Gross Asset Value of property (net of any liabilities assumed by such Interest Holder or to which the distributed property is subject) distributed to such Interest Holder pursuant to Articles VIII and X. If an Interest Holder transfers all or any part of such Interest Holder's Units in accordance with the terms of this Agreement, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent of the Units transferred in accordance with Treasury Regulation § 1.704-1(b)(2)(iv)(l).

ARTICLE VI.
ACCOUNTING

Section 6.1 ***Books and Records***.

(a) Proper and complete books of account and records shall be kept by such Officer to whom such duties may from time to time be delegated by the Board, in which books of account and records shall be entered fully and accurately all transactions and other matters relative to the Company's business as are usually entered into books of account and records maintained by persons engaged in businesses of a like character, including, without limitation, a Capital Account for each Interest Holder for any period in which there is more than one Interest Holder. The Company will maintain, at minimum, the following books, accounts, records and other information: (i) a current list of the full name and last known business, residence, or mailing address of each past and present Member and Officer; (ii) a copy of this Agreement and other formation agreements of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed; (iii) copies of the federal, state, and local income tax returns and reports of the Company and all supporting work papers, if any, for ten (10) years after the due date for filing (including extensions); (iv) copies of the currently effective written agreements of the Company, copies of any writings permitted or required with respect to any past, present or future obligation of a Member to contribute cash, property, or services (together with any written information regarding the description and agreed value of any such property or services), and copies of books and records of account and any financial statements of the Company for ten (10) years; (v) copies of the financial statements and other reports referred to in Section 6.3 and all supporting work papers; (vi) minutes of every meeting of the Class A Members; (vii) minutes of every meeting of the Board; (viii) any written consents obtained from Class A Members for actions taken by Class A Members or the Board without a meeting; (ix) originals or copies of the insurance policies purchased by the Company; and (x) such other books and records as may be required to be maintained or filed by the Act or any other Law, or which a Member may reasonably request be kept by the Company.

(b) The Company's books of account and records shall be prepared in accordance with GAAP, consistently applied, and shall be kept on the accrual basis in accordance with GAAP. The Company shall also maintain records consistent with Section 5.8.

(c) The books of account and records shall, at all times, be maintained at the principal place of business of the Company, and shall be open to the inspection and examination of the Interest Holders or their duly authorized representatives during reasonable business hours, and any Interest Holder may, at such Interest Holder's own expense, examine and make copies of the books of account and records of the Company. Such Interest Holder may make copies of the relevant records and the Company may impose a reasonable charge, limited to costs of labor and material, for the copies.

Section 6.2 ***Fiscal Year***. The fiscal year of the Company means the taxable year of the Company, which will, unless otherwise required by the Code and Treasury Regulations, be the calendar year ("**Fiscal Year**").

Section 6.3 ***Reports***.

(a) Within forty five (45) days after the end of each Fiscal Year, the Company shall furnish to each Member a report of the business, operations, and finances of the Company during the prior Fiscal Year, including Company-prepared financial statements showing the cash distributed in such Fiscal Year, and, not later than March 31st of each year, an updated version of such report that includes audited consolidated financial statements prepared by an Auditor. At such time, the Company shall also produce annual operating results, environmental reports, and health and safety reports in a form that is acceptable to the Members.

(b) Within forty five (45) days after the end of each quarter, the Company shall furnish to each Member (i) unaudited consolidated financial statements prepared by the Company according to GAAP, (ii) quarterly operating results, environmental reports, and health and safety reports in a form that is acceptable to the Members and (iii) the Company's current financial forecasts for the current and three (3) subsequent fiscal years.

(c) Within eight (8) Business Days after the close of each calendar month, the Company shall furnish to each Member a report of the business and operations of the Company for such calendar month and year to date. Unless otherwise agreed to by the Members, such report shall contain (i) unaudited consolidated financial statements prepared by the Company according to GAAP and shall include a balance sheet as of the end of such calendar month and statements of the net income or net loss and cash flows of the Company for such calendar month and year to date; (ii) monthly and year to date operating results, environmental reports, and health and safety reports in a form that is acceptable to the Members; and (iii) such other information as in the judgment of the Board shall be reasonably necessary for the Members to be advised of the results of the Company's operations and its financial condition.

(d) With respect to each Fiscal Year, the Company shall, as soon as reasonably practicable following the end of such Fiscal Year (but in any event no later than 105 days thereafter), deliver or cause to be delivered to the Interest Holders such tax and other information necessary for the preparation by each Interest Holder of such Interest Holder's income tax or other returns. In addition, as soon as reasonably practicable following the end of such Fiscal Year (but in any event no later than 60 days thereafter), the Company shall deliver or cause to be delivered to the Interest Holders an estimate of the tax information to be included on Schedule K-1 for such Fiscal Year. In addition, the Company will use reasonable efforts to provide any other information

reasonably requested by an Interest Holder for the purpose of preparing such Interest Holder's tax returns, and each Interest Holder will use reasonable efforts to provide the Company with any information reasonably requested by the Company for the purpose of preparing a Schedule K-1 for each Fiscal Year and to provide the information required by this Section 6.3(d).

(e) Notwithstanding the foregoing, any Member may elect (by written notice to the Company) not to receive any or all of the information to be provided pursuant to this Section 6.3.

(f) Notwithstanding the foregoing, if any Class B Member, directly or indirectly, controls or is under common control with any Person or entity (or any Affiliate of such Person or entity) whose business is to conduct coal mining operations and/or primarily involves trading coal for itself or marketing coal for third-parties, such Class B Member shall not be entitled to receive the information required by Sections 6.3(a) through (c), unless such Class B Member is primarily in the investing business and sufficient information barriers are established to prohibit the sharing of such information.

Section 6.4 ***Tax Returns***. The Company shall prepare, or cause to be prepared, and timely file, all tax returns (e.g., severance, sales, use, property, payroll, federal, state, and local income tax returns and information returns) if any, which the Company is required to file. All expenses incurred in connection with such tax returns and information returns, as well as for the reports referred to in Sections 6.3 and 6.5, shall be expenses of the Company.

Section 6.5 ***Member Audit***. In addition to the independent audit set forth in Section 6.3(a), each Member may, at its option and expense, conduct internal audits of the (i) books, records, and accounts of the Company; (ii) information protection policies and practices; and (iii) other business processes reviewed by that Member's internal audit function. Member audits may be conducted on either a continuous or periodic basis or both and may be conducted by employees of the Member or an Affiliate of the Member, or by independent accountants retained by the auditing Member.

Section 6.6 ***Member's Request for Additional Information***. The Company shall also furnish to any Member such other information of the Company's operations and condition as may reasonably be requested by any Member for any reasonable purpose related to a Member's interest as a Member, as described in Section 275.185 of the Act.

Section 6.7 ***Revaluation of Company Property***. If, subsequent to the date hereof, there shall occur (i) an acquisition of Units for more than a *de minimis* capital contribution, (ii) a distribution (other than a *de minimis* distribution) to an Interest Holder as consideration for Units or (iii) the issuance of Units (other than a *de minimis* amount of Units) in exchange for services, the Company shall revalue its assets at their then Fair Market Values, except to the extent the Board determines that such revaluation is not necessary or appropriate in order to maintain Capital Accounts in accordance with Treasury Regulation § 1.704-1(b)(2)(iv).

ARTICLE VII.
BANK ACCOUNTS

All funds of the Company shall be deposited in its name into such checking, savings and/or money market accounts or time certificates as shall be designated by the Board. Withdrawals therefrom shall be made upon such signature or signatures of Officers authorized by the Board. Company funds shall not be commingled with those of any other person or entity. Funds may be withdrawn only to be invested in furtherance of the Company's business purposes, to pay Company debts or obligations, or to be distributed to the Members pursuant to this Agreement.

ARTICLE VIII.
ALLOCATIONS OF NET INCOME AND NET LOSS

Section 8.1 ***Allocations for Capital Account Purposes***.

(a) For each Fiscal Year or other applicable period of the Company, Net Income or Net Loss (and, in the manner determined appropriate by the Board, the items included in the computation thereof) shall be allocated among the Interest Holders in such a manner that, as of the end of each Fiscal Year or other period and to the extent possible, the Capital Account of each Interest Holder shall be equal to the excess (which may be negative) of:

(i) the amount that would be distributed to such Interest Holder under this Agreement (taking into account advances thereof) if (x) all Company assets were sold for cash equal to their Gross Asset Values at the end of such Fiscal Year or other period, (y) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each nonrecourse liability, to the Gross Asset Values of the assets securing such liability) and all Interest Holders' obligations, if any, to make contributions to the Company upon such a hypothetical sale and dissolution of the Company were satisfied in full, and (z) the net proceeds thereof (after satisfaction of such liabilities) were distributed in full pursuant to Section 10.1(b), over

(ii) the sum of (x) the amount, if any, that such Interest Holder would be obligated to contribute to the capital of the Company as determined immediately after the hypothetical sale described in Section 8.1(a)(i), (y) such Interest Holder's share of the minimum gain determined pursuant to Section 8.1(c) computed immediately prior to the hypothetical sale described in Section 8.1(a)(i), and (z) such Interest Holder's share of nonrecourse debt minimum gain determined pursuant to Section 8.1(c) computed immediately prior to the hypothetical sale described in Section 8.1(a)(i).

(b) Notwithstanding anything herein to the contrary, Net Losses shall not be allocated to an Interest Holder pursuant to Section 8.1(a) to the extent that such allocation would cause such Interest Holder to have a deficit balance in its Adjusted Capital Account (or increase any existing deficit balance in its Adjusted Capital Account) at the end of a Fiscal Year or other period. Net Losses in excess of the limitation set forth in this Section 8.1(b) shall be allocated to the Interest Holders who do not have deficit balances in their Adjusted Capital Accounts in proportion to their relative Adjusted Capital Account balances.

(c) Notwithstanding anything herein to the contrary, if there is a net decrease in the Company's minimum gain (within the meaning of Treasury Regulation § 1.704-2(b)(2)) or partner nonrecourse debt minimum gain (within the meaning of Treasury Regulation § 1.704-2(i)(3)) during any Fiscal Year (or other period referred to in Section 8.1(a)), each Interest Holder shall be allocated, before any other allocations hereunder, items of income and gain for such Fiscal Year (or such other period) (and subsequent Fiscal Years, if necessary), in an amount equal to such Interest Holder's share (determined in accordance with Treasury Regulation §§ 1.704-2(g) and 1.704-2(i)(5), as applicable) of the net decrease in the Company's minimum gain or partner nonrecourse debt minimum gain, as applicable, for such Fiscal Year (or such other period); provided, however, that no such allocation shall be required if any of the exceptions set forth in Treasury Regulation § 1.704-2(f) or 1.704-2(i)(4) apply. It is the intention of the parties that this provision constitutes a "minimum gain chargeback" within the meaning of Treasury Regulation §§ 1.704-2(f) and 1.704-2(i)(4), and this provision shall be so construed.

(d) If an Interest Holder unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes or increases a deficit balance in such Interest Holder's Adjusted Capital Account, then such Interest Holder will be allocated items of income and gain in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulations promulgated under section 704 of the Code, the deficit balance in such Interest Holder's Adjusted Capital Account as quickly as possible; provided, that an allocation pursuant to this Section 8.1(d) shall be made only if and to the extent that such Interest Holder would have a deficit Adjusted Capital Account after all allocations provided for in this Section 8.1 have been tentatively made as if this Section 8.1(d) were not in this Agreement. It is the intention of the parties that the provisions of this Section 8.1(d) constitute a "qualified income offset" within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(d), and such provisions shall be so construed.

(e) In the event that any Interest Holder has a deficit balance in its Capital Account at the end of any Fiscal Year or other period that is in excess of the sum of (i) the amount such Interest Holder is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Interest Holder is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations § 1.704-2(g)(1) and 1.704-2(i)(5), such Interest Holder shall be allocated items of Company income and gain in the amount of such excess as quickly as possible; *provided that*, an allocation pursuant to this Section 8.1(e) shall be made only if and to the extent that such Interest Holder would have such a deficit balance in its Capital Account in excess of the sum of (i) and (ii) above after all other allocations provided for in this Section 8.1 have been tentatively made as if Section 8.1(d) and this Section 8.1(e) were not in this Agreement.

(f) Notwithstanding anything herein to the contrary, the Company's partner nonrecourse deductions (within the meaning of Treasury Regulation § 1.704-2(i)(2)) shall be allocated solely to the Interest Holder or Interest Holders who bear the economic risk of loss with respect to the partner nonrecourse liability related thereto in accordance with the provisions of Treasury Regulation § 1.704-2(i)(1).

(g) To the extent that an adjustment to the adjusted tax basis of any asset of the Company pursuant to section 734(b) of the Code or section 743(b) of the Code is required, pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulation §

1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to an Interest Holder in complete liquidation of its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Interest Holders in accordance with their interests in the Company in the event that Treasury Regulation § 1.704-1(b)(2)(iv)(m)(2) applies, or to the Interest Holders to whom such distribution was made in the event that Treasury Regulation § 1.704-1(b)(2)(iv)(m)(4) applies.

(h) The Nonrecourse Deductions for each taxable year of the Company shall be allocated to the Interest Holders in proportion to the number of Units owned by each of them.

(i) The allocations contained in Sections 8.1(b) through (h) are intended to comply with certain requirements of Treasury Regulation §§ 1.704-1(b) and 1.704-2. These may be inconsistent with the manner in which the Interest Holders intend to divide distributions from the Company. Accordingly, notwithstanding the other provisions of this Section 8.1, the Board is authorized to allocate items of income, gain, loss and deduction of the Company among the Interest Holders, so that the net amount of the allocations in Sections 8.1(b) through (h) and the allocations authorized pursuant to this Section 8.1(i) to each Interest Holder is zero. The Board will have discretion to accomplish this result in any reasonable manner that is consistent with section 704 of the Code and the corresponding Treasury Regulations. In exercising its discretion under this Section 8.1(i), the Board shall take into account future allocations that, although not yet made, are likely to offset other allocations previously made pursuant to Sections 8.1(b) through (h).

Section 8.2 ***Allocations for Tax Purposes***.

(a) Except as provided in this Section 8.2, each item of income, gain, loss and deduction of the Company for federal income tax purposes shall be allocated, to the maximum extent possible, among the Interest Holders in the same manner as the corresponding items (if any) are allocated for purposes of maintaining Capital Accounts under Section 8.1.

(b) The Interest Holders recognize that there may be a difference between the Gross Asset Value of a Company asset and the asset's adjusted federal income tax basis at the time of the property's contribution or revaluation pursuant to this Agreement. In such a case, all items of tax depreciation, cost recovery, amortization, and gain or loss with respect to such asset shall be allocated among the Interest Holders to take into account the disparity between the Gross Asset Value and the adjusted federal income tax basis of such asset in accordance with the provisions of sections 704(b) and 704(c) of the Code and the Treasury Regulations promulgated thereunder as determined by the Board, including if determined appropriate by the Board, utilizing the "remedial method" under Treasury Regulation § 1.704-3(d); *provided that* the Interest Holders hereby agree that any disparity between the Gross Asset Value of such assets, as compared immediately before and after any revaluations pursuant to Section 6.7 which occurred on October 9, 2012, or prior to October 9, 2012 but in the same calendar year, shall be eliminated utilizing the "remedial method" under Treasury Regulation § 1.704-3(d); *provided further that* the Interest Holders hereby agree that any disparity between the Gross Asset Value of such assets, as compared immediately before and after any revaluations pursuant to Section 6.7 after October 9, 2012 (other than a revaluation

described in Treasury Regulation § 1.704-1(b)(2)(iv)(f)(5)(i)), shall be eliminated utilizing the "traditional method" under Treasury Regulation § 1.704-3(b).

(c) All items of income, gain, loss, deduction and credit allocated to the Members in accordance with the provisions hereof and basis allocations recognized by the Company for federal income tax purposes shall be determined without regard to any election under Section 754 of the Code which may be made by the Company; *provided, however*, that such allocations, once made, shall be adjusted as necessary or appropriate to take into account the adjustments permitted by Sections 734 and 743 of the Code.

(d) If any deductions for depreciation, amortization or cost recovery are recaptured as ordinary income upon the sale or other disposition of Company properties, the ordinary income character of the gain from such sale or disposition shall be allocated among the Members in the same ratio as the deductions giving rise to such ordinary income character were allocated.

Section 8.3 ***Allocations in Event of Transfer, Admission of New Member, Etc.*** In the event of the transfer of all or any part of an Interest Holder's Units (in accordance with the provisions of this Agreement) at any time other than at the end of a Fiscal Year, the admission of a new Member or disproportionate capital contributions, the transferring Interest Holder's, new Member's or Interest Holders' shares of the Company's income, gain, loss, deductions and credits allocable to such Units, as computed both for accounting purposes and for federal income tax purposes, shall be allocated among the Interest Holders using the interim closing method; provided, however, that by vote of the Members such allocations may be made using any reasonable method for purposes of section 706 of the Code; *and provided further, however*, that neither RWE nor the Class B Members shall be allocated any items of income, gain, loss or deduction of the Company arising on or prior to the date of their admission (except for any items of income, gain, loss or deduction arising in connection with the RWE Ancillary Agreements).

Section 8.4 ***No Restoration of Deficit Capital Accounts***. No Interest Holder shall be required under any circumstances (either during the period of the Company's operation or upon the Company's dissolution and termination) to restore a deficit in such Interest Holder's Capital Account or, except as explicitly provided in this Agreement, otherwise make any contribution of cash or property to the Company without such Interest Holder's consent, which may be withheld in such Interest Holder's sole and absolute discretion.

Section 8.5 ***Miscellaneous***. In the event that the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to reflect the intended economic arrangement of the Interest Holders and/or comply with Treasury Regulations, the Board may make such modifications; provided, however, that no such modification will alter the amounts distributable to the Interest Holders pursuant to Article X or Article XII; provided, further, that no such modifications may be made without an Interest Holder's consent (not to be unreasonably withheld) to the extent that such modifications materially adversely affect such Interest Holder in relation to the other Interest Holders.

ARTICLE IX.
OTHER TAX MATTERS AND ELECTIONS

Section 9.1 ***Allocations of Excess Nonrecourse Liabilities***.

For purposes of section 752 of the Code and the regulations thereunder, the excess nonrecourse liabilities of the Company (within the meaning of Treasury Regulation § 1.752-3(a)(3)), if any, shall be allocated to the Interest Holders as follows:

(i) First, such excess nonrecourse liabilities shall be allocated to the Interest Holders up to the amount of built-in gain allocable to such Interest Holders on section 704(c) property (as defined in Treasury Regulation § 1.704-3(a)(3)(ii)) or property for which reverse section 704(c) allocations are applicable (as described in Treasury Regulation § 1.704-3(a)(6)(i)) where such property is subject to the nonrecourse liability, to the extent such gain exceeds the gain described in Treasury Regulation § 1.752-3(a)(2).

(ii) Second, the balance of such excess nonrecourse liabilities, if any, shall be allocated to the Interest Holders in proportion to the number of Units owned by each of them.

Section 9.2 ***Method of Accounting for Tax Purposes***. The Company shall use the accrual method of accounting for federal income tax purposes.

Section 9.3 ***Elections***. The Company shall make the election permitted to be made by section 754 of the Code for its current taxable year. Any other elections required or permitted to be made by the Company for tax purposes, shall be made in such a manner as shall be determined by the Board.

Section 9.4 ***Partnership Tax Treatment***. It is the intention of the Members that the Company be treated as a partnership for federal and any applicable state and local income tax purposes, and, notwithstanding anything in this agreement to the contrary, the Interest Holders and the Company shall not take any position or make any election, in a tax return or otherwise, inconsistent with such treatment. The Company is not to be considered or treated as a partnership for any other purpose. No Member or Interest Holder is to be considered or treated as a partner or joint venturer of (i) the Company; (ii) any other Member or (iii) any Interest Holder, in each case, for any other purpose; and this Agreement may not be construed otherwise. The Members and the Company agree not to take any action inconsistent with the express intent of the parties in this Article IX.

Section 9.5 ***Tax Forms***. Each Member shall deliver to the Company two duly executed copies of Internal Revenue Service Form W-8 or W-9, as applicable, and any other information reasonably requested by the Company to comply with its withholding tax obligations.

ARTICLE X.
DISTRIBUTIONS

Section 10.1 ***Cash Distributions***. Distributions of Net Cash Flow shall be made to the Interest Holders as follows:

(a) ***Tax Distributions***. Notwithstanding anything to the contrary in Section 10.1(b), with respect to each taxable year, the Company shall distribute to each Interest Holder an amount equal to (i) the product of (x) such Interest Holder's cumulative share of allocations of the Company's taxable income for all taxable years (or a portion thereof) beginning on or after the Effective Date, as determined for U.S. federal income tax purposes for such taxable year, multiplied by (y) 50%, and reduced by (ii) all previous distributions made to such Interest Holder pursuant to this Section 10.1. The distributions pursuant to the preceding sentence will be made in quarterly installments throughout the taxable year, at least three (3) Business Days prior to April 15, June 15, September 15 and December 15 to cover estimated taxes due by each Interest Holder as reasonably determined by the Company, followed by a distribution determined by reference to the estimate of tax information to be included on Schedule K-1 delivered pursuant to Section 6.3(d) not later than March 12 of the following taxable year (to the extent that the amount distributable pursuant to this Section 10.1(a) based on such estimate exceeds the amount actually distributed to date) and a final distribution not later than the date on which Schedule K-1 is delivered (based on such Interest Holder's actual allocable share of the Company's taxable income as determined in accordance with clause (i)(x) above for U.S. federal income tax purposes for the taxable year to the extent the amount distributable pursuant to this Section 10.1(a) based on the actual Schedule K-1 share exceeds the estimated amount of such share based on the estimate of tax information to be included on Schedule K-1). Distributions made to an Interest Holder pursuant to the preceding provisions of this Section 10.1(a) shall be treated as advances of distributions to be made under Sections 10.1(b) and 12.3(b) and will be credited against and will reduce the future distributions to be made to such Interest Holder (or other applicable Member) under such sections. Except for the limitations set forth in the Credit Agreement as of the date hereof, the Company will not agree to any prohibitions or limitations of the tax distributions required under this Section 10.1(a) without the unanimous consent of the Board.

(b) ***General Distributions***. Except as provided in Section 10.3, any Net Cash Flow of the Company for each Fiscal Year shall be distributed at such time or times as shall be determined by the Board. All such distributions shall be made to the Interest Holders in proportion to the number of Units owned by each of them, properly taking into account any distributions made to any Interest Holders pursuant to Section 10.1(a).

Section 10.2 ***Property Distributions***. If any property of the Company other than cash is distributed by the Company to an Interest Holder (in connection with the liquidation of the Company or otherwise), the Fair Market Value of such property shall be used for purposes of determining the amount of such distribution, and except as otherwise agreed by the Members, such property shall be distributed to the Members in proportion to the amount of cash they would have received in the event such property were sold for its Fair Market Value.

Section 10.3 ***Prohibited Distributions***. Notwithstanding anything in this Agreement which may be interpreted to the contrary, if and for so long as the Company is in material default under the terms of any Member Loan beyond any applicable grace period provided for in the loan document(s) governing any such Member Loan, the Company shall not make any distributions to any Interest Holder other than Tax Distributions.

Section 10.4 ***Withholding***. The Company may withhold amounts on account of taxes from any distribution to an Interest Holder to the extent required by the Code or any other

applicable law, and any taxes so withheld by the Company from a distribution shall be treated as having been distributed (rather than withheld) pursuant to the relevant provision hereof authorizing the distribution (for example, an amount required to be withheld from a distribution payable under Section 10.1(a) shall be treated as having been distributed pursuant to Section 10.1(a)). In addition, the Company may withhold amounts with respect to allocations of taxable income to an Interest Holder to the extent required by the Code or other applicable law, and any amount required to be so withheld shall be deemed to have been distributed to such Interest Holder pursuant to Section 10.1(a) up to the amount such Interest Holder is entitled to receive under Section 10.1(a) for the taxable year for which such allocations are made, and, if there is any excess, such excess will be treated, at the Company's option, as either (i) advances of distributions to be made under Sections 10.1(b), 10.2 and 12.3(b) and will be credited against and will reduce the future distributions to be made to such Interest Holder (or other applicable Member) under such Sections or (ii) as a loan to the Interest Holder, payable no later than 60 days following the payment of such taxes. Except as set forth in the preceding sentence, in the event the Company incurs a tax withholding obligation that exceeds the cash amounts then payable by the Company to the Interest Holder in respect of which such withholding obligation arises, the Company shall, except as otherwise mutually agreed between the Company and the Interest Holder, pay such withholding obligation in cash to the applicable taxing authority and the Interest Holder shall promptly reimburse the Company for the amount paid by the Company to the taxing authority with respect to such withholding obligation.

ARTICLE XI.
MANAGEMENT

Section 11.1 ***Management by Board***.

(a) Control and management of the business of the Company shall be vested exclusively in the Board. No member of the Board that is a direct or indirect equity owner or employee of the Company will be entitled to receive any compensation for serving as a member of the Board or for attending any meeting of the Board; provided, however, that each member of the Board will be reimbursed by the Company for reasonable, out-of-pocket travel and other expenses incurred in attending or participating in meetings of the Board.

(b) The Board shall consist of no fewer than three (3) and no more than five (5) members, each elected by a majority of the Class A Members. In addition, for so long as RWE and its Affiliates collectively own 9% or more of the total outstanding Units, RWE shall additionally have the right to appoint a non-voting observer to the Board. Such non-voting observer shall be bound by the same confidentiality obligations as members of the Board. Any member or observer of the Board may be removed and replaced at any time by the Member appointing such person.

Section 11.2 ***Actions Requiring Board Approval***.

(a) In addition to any other matters under applicable law, or pursuant to the provisions of any agreement to which the Company is a party, the Company shall not take any of the following actions without receiving the approval of the Board in accordance with this Agreement:

(i) Establishing the Company's business strategies, annual business plans and any significant forecasted or anticipated deviations from such strategies or business plans, including the manner in which coal mining operations are conducted and reclamation obligations;

(ii) Setting the annual budget for the Company and any significant forecasted or anticipated deviations from such budget or amendments to such budget;

(iii) Delegations of authority by the Board to the Officers of the Company which spells out spending authority and other commitment authority for such Officers;

(iv) The acquisition by the Company of all or substantially all of the assets or equity of another business;

(v) Causing the Company or any Material Subsidiary to enter into any merger, consolidation, material joint venture or similar transaction with any person or entity;

(vi) Except as otherwise provided in Section 10.1, the distribution of Net Cash Flow;

(vii) The formation of any new subsidiaries of the Company;

(viii) Incurring or guaranteeing indebtedness for borrowed money (or any other guarantee) or granting security interests in property of the Company or any subsidiary of the Company to the extent outside of the incurrence of trade payables in the ordinary course of business, other than purchase money loans and security interests in equipment not in excess of the purchase price of such equipment (subject to Section 11.2(b)(xiv));

(ix) Causing the Company to, directly or indirectly, dissolve, liquidate, sell, lease, pledge, transfer, commit, contract or license any of its subsidiaries or all or substantially all of its assets (whether in an individual transaction or in a series of related transactions);

(x) Entry into (or termination or material amendment of) coal sales agreements that involve, in the case of each such coal sales agreement, more than $15,000,000 of revenue for the Company or the delivery of any coal shipments more than six months after such coal sale agreement is entered into;

(xi) Entry into (or termination or material amendment of) (1) any contract mining agreement that involves more than 1,000,000 tons of recoverable coal reserves or (2) any other contract that provides for aggregate revenues to the Company and its subsidiaries or aggregate expenditures by the Company and its subsidiaries of more than $2,000,000 (in each case other than any such agreement or contract contemplated by Section 11.2(a)(x));

(xii) Any split or reverse split of the then outstanding Units;

(xiii) Entry into (or termination or material amendment of) an employment agreement with any Officer;

(xiv) Entry into (or termination or material amendment of) any collective bargaining agreement;

(xv) The annual appointment and hiring of the Company's Auditor; ~~and~~

(xvi) Such other actions as expressly set forth in this Agreement as requiring the consent of the Board ~~.~~ ;

(xvii) Amending this Agreement;

(xviii) Increasing the size of the Board above five (5) members;

(xix) The issuance of additional Units (or warrants, options convertible securities, other equivalent securities or similar rights or instruments involving the issuance of Units) or other equity interests in the Company;

(xx) Any change in the Company's election to be taxed as a partnership, method of accounting or recapitalization of the Company;

(xxi) Notwithstanding any other provision in this Agreement, any transactions or series of related transactions resulting in a Change of Control of the Company (which, for the avoidance of doubt, includes mergers that result in a Change of Control);

(xxii) The redemption or repurchase of any equity of the Company;

(xxiii) Any change in the Company's purpose, as set forth in Section 4.1 ; ;

(xxiv) Causing the Company to, directly or indirectly, declare bankruptcy, make an assignment for the benefit of creditors, or any other similar action, except as required by the Act;

(xxv) Causing the dissolution and liquidation of the Company or any of its subsidiaries (unless the assets of such subsidiary are distributed to the Company or another subsidiary);

(xxvi) The approval of all affiliate transactions in accordance with the standards of Section 11.9(b).

(xxvii) Directly or indirectly sell, lease, pledge, transfer, commit, contract or license any of the Company's Material Subsidiaries or assets to a third party (whether in an individual transaction or in a series of related transactions) for consideration in excess of $ 10,000,000;

(xxviii) Entering any contract, agreement or transaction with any Member or any Affiliate of any Member other than as outlined on Exhibit C to this Agreement;

(xxix) The payment of salaries, bonuses or other compensation directly by the Company (or reimbursed to JMP or any Affiliate of JMP) to John M. Potter or Thomas A. Potter in excess of $ 500,000 (in the aggregate for each individual) per annum for each individual;

(xxx) Admitting any Person to the Company as an additional or substitute Member who is primarily involved in trading coal for itself or marketing coal for third parties;

(xxxi) The settlement of any claim or litigation in excess of $5,000,000; and

(xxxii) Providing any guarantee or any grant of security interest in property of the Company or any subsidiary of the Company in favor of any Member or any of its Affiliates (other than the Company or any of its subsidiaries).

Section 11.3 ***Meetings of the Board***.

(a) ***Meetings***. Except as otherwise determined by the Board from time to time, meetings of the Board will be held at least quarterly, with such additional meetings being held as determined by the Board from time to time. Meetings of the Board may be held in person or telephonically, as determined by the Board. In-person meetings of the Board will be held at such place as may be approved by the Board.

(b) ***Notice of Meetings***. Any meeting of the Board may be called by any member of the Board. Any meeting of the Board requires (i) at least five Business Days' notice delivered personally or by telephone, facsimile or electronic mail to each member of the Board in the case of an in-person meeting and (ii) at least two Business Days' notice delivered personally or by telephone, facsimile or electronic mail to each member of the Board in the case of a meeting held by telephone. Notice of a meeting need not be given to any member of the Board who signs a waiver of notice or a consent to hold the meeting (which waiver or consent need not specify the purpose of the meeting) or approves of the minutes thereof, whether before or after the meeting, or who attends the meeting in person or by telephone without protesting such lack of notice prior to commencement of such meeting.

(c) ***Quorum***. Subject to the immediately following sentence, at all meetings of the Board, the presence of at least three (3) members of the Board shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board, a majority of the members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present; provided that, if a meeting is adjourned for more than 24 hours, notice of such adjournment will be given prior to the time of the adjourned meeting to the members of the Board who are not present at the time of adjournment.

(d) ***Acts of the Board***. Except as otherwise provided in this Agreement (including Section 11.2(b)) or required by applicable law, the act of a majority of the members of the Board will constitute an act of the Board.

(e) ***Action by Written Consent***. Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken by written consent without a meeting by the same number of members of the Board as would be required to approve such action by vote at an in-person meeting of the Board or the applicable committee where a quorum is present, and such writing or writings are filed with the minutes of the proceedings of the Board or the relevant committee; provided, however, that each member of the Board shall be given prior notice of any such written consent at least two Business Days in advance.

(f) ***Proxies***. Any member of the Board (an "**Authorizing Board Member**") may authorize another member of the Board (an "**Authorized Board Member**") to vote and otherwise act for such Authorizing Board Member at any meeting of the Board as a proxy by providing written notice to the Company and all other members of the Board that such Authorized Board Member is entitled to vote and otherwise act for the Authorizing Board Member at such meeting. The presence of any Authorized Board Member at any meeting of the Board shall constitute the presence of the Authorizing Board Member for the purposes of determining whether a quorum is present at such meeting.

(g) ***Electronic Communications***. Members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and such participation in a meeting will constitute presence in person at the meeting.

Section 11.4 ***Officers***.

(a) ***Appointment of Officers***. The Board shall appoint individuals as Officers, which may include a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary and such other Officers (such as a Chief Operating Officer, a Treasurer or any number of Vice Presidents) as the Board deems advisable. No Officer need be a Member. Any two or more offices may be held by the same person. Appointment of an Officer shall not itself create contract rights between the Company and that Officer.

(b) ***Duties***. Under the direction of and, at all times, subject to the authority of the Board, the Officers shall manage the day-to-day business, operations and affairs of the Company in the ordinary course of its business, to make all decisions affecting the day-to-day business, operations and affairs of the Company in the ordinary course of its business and to take all such actions as they deem necessary or appropriate to accomplish the foregoing, in each case, unless the Board shall have previously restricted (specifically or generally) such powers. In addition to the foregoing and the specific responsibilities set forth below, the Officers shall have such other powers and duties as may be prescribed by the Board, this Agreement or the Act. The Chief Executive Officer and the President shall have the power and authority to delegate to any agents or employees of the Company rights and powers of Officers of the Company to manage and control the day-to-day business, operations and affairs of the Company in the ordinary course of its business, as the Chief Executive Officer and the President may deem appropriate from time to

time, in each case, unless the Board shall have previously restricted (specifically or generally) such powers.

(i) *Chief Executive Officer and President.*

(A) Under the direction of and, at all times, subject to the authority of the Board, the Chief Executive Officer and the President shall together exercise general supervision over the day-to-day business, operations and affairs of the Company (with supervision of the day-to-day coal mining operations of the Company being performed by the Chief Executive Officer), and shall perform such duties and exercise such powers as are incident to the office of chief executive officer and president, as applicable, of a corporation organized in the Commonwealth of Kentucky.

(B) If a Chief Executive Officer has not been designated by the Board, the President shall fulfill the responsibilities of the Chief Executive Officer. The president may execute any deed, mortgage, bond, contract or other instrument which the Board has authorized to be executed, except in cases where execution shall be expressly delegated by the Board or by this Agreement to some other Officer or agent of the Company or shall be required by law to be otherwise executed.

(ii) *Chief Financial Officer*. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Company, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and Units, and, in general, shall perform all the duties incident to the office of the chief financial officer of a corporation organized in the Commonwealth of Kentucky. The Chief Financial Officer shall have the custody of the funds of the Company, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company. The Chief Financial Officer shall have such other powers and perform such other duties as may from time to time be prescribed by the Board, the Chief Executive Officer and/or the President.

(iii) *Secretary*. The Secretary shall have responsibility for (i) keeping the minutes of the proceedings of the Board and committees, if any, in one or more books provided for that purpose; (ii) seeing that all notices are fully given in accordance with the provisions of this Agreement or as required by law; (iii) being custodian of the Company records; (iv) keeping a register of the post office address of each Member, which shall be furnished to the Secretary by each Member; and (v) in general perform all duties incident to the office of the secretary of a corporation organized in the Commonwealth of Kentucky. The Secretary shall have such other powers and perform such other duties as may from time to time be prescribed by the Board, the Chief Executive Officer and/or the President

(iv) *Other Officers.* All other Officers of the Company shall have such powers and perform such duties as may from time to time be prescribed by the Board, the Chief Executive Officer and/or the President.

(c) ***Term***. Except as otherwise provided by the Act, each Officer shall hold office until the Officer's successor is elected and qualifies or until the Officer's death, resignation or removal in the manner hereinafter provided.

(d) ***Removal***. Any Officer of the Company may be removed by the Board in its sole discretion, but the removal shall be without prejudice to the contract rights, if any, of the person so removed. Any Officer of the Company may resign at any time by giving written notice of the resignation to the Board. Any resignation shall take effect at the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

(e) ***Vacancy***. A vacancy in any office (other than of a Board member) may be filled by the Board in its sole discretion.

(f) ***Compensation***. The compensation of the Officers of the Company shall be fixed from time to time by the Board (subject to Section 11.2(b)), and no Officer shall be prevented from receiving such compensation by reason of the fact that the Officer is also a Member, directly or indirectly, of the Company.

(g) ***Authority***. No Officer has any authority or power to take any action required by any provision(s) of this Agreement to be taken or first approved by an act or general or specific delegation of the Board. Neither the Board nor any Officer has authority or power to take any actions required by any provision(s) of this Agreement to be taken or first approved by an act of the Members. The Officers shall only have such powers as are delegated to the Officers expressly in this Agreement or as may otherwise be determined by the Board (but subject to Section 11.2(b)).

Section 11.5 ***Waiver of Member and Board Fiduciary Duties; Limitation of Liabilities; Indemnification***.

(a) No Member shall have any fiduciary or other duty to the Company, any other Member, any member of the Board or any other Person that is a party to or is otherwise bound by this Agreement other than the implied contractual covenant of good faith and fair dealing.

(b) No member of the Board shall have any fiduciary or other duty to the Company, any Member (other than, with respect to any such member of the Board appointed by a Member pursuant to Section 11.1(b) (a "**Board Appointee**"), the Member designating such Board Appointee), any other member of the Board, or any other Person that is a party to or is otherwise bound by this Agreement other than the implied contractual covenant of good faith and fair dealing.

(c) To the maximum extent permitted by applicable law, whenever a Member is permitted or required to make a decision or take an action or omit to take an action (including wherever in this Agreement that any Member is permitted or required to make, grant or take a determination, decision, consent, vote judgment or action at its "discretion," "sole discretion" or under a grant of similar authority or latitude), such Member shall be entitled to consider only such

interests and factors, including its own, as it desires, and shall have no duty or obligation to give any consideration to any other interest or factors whatsoever.

(d) To the maximum extent permitted by applicable law, each Member acknowledges and agrees that any Board Appointee shall serve in such capacity to represent the interests of the Member that designated such Board Appointee and shall be entitled to consider only such interests (including the interests of the Member that designated such Board Appointee) and factors specified by the Member that designated such Board Appointee, and shall not owe duties, fiduciary or otherwise (including any duty of disclosure), at law, in equity or under this Agreement, to the Company or any other Member, other than the implied contractual covenants of good faith and fair dealing.

(e) To the maximum extent permitted by applicable law, no Member or member of the Board (in such individual's capacity as a member of the Board) shall be liable to the Company, any Member or any other Person that is a party to or bound by the terms of this Agreement, for losses sustained or liabilities incurred as a result of any act or omission (in relation to the Company, any transaction, any investment or any business decision or action, including for breach of contract or breach of duties including fiduciary duties (including any duty of disclosure)) taken or omitted by such Member or member of the Board (in such Person's capacity as a member of the Board), unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of such act or omission, and taking into account the acknowledgments and agreements set forth in this Agreement, such Member or member of the Board (in such Person's capacity as a member of the Board) engaged in a violation of the implied contractual covenant of good faith and fair dealing.

(f) Notwithstanding any other provision in this Section 11.5, the Board shall be prohibited from adopting and the Company shall be prohibited from taking, any material action that has the effect of benefiting the Class A Members (or their Affiliates) to the detriment of the Class B Members (solely in their capacity as equity holders in the Company) without the consent of a majority of the Class B Members. All coal sales to RWE in the ordinary course of business and any other transactions entered into pursuant to the RWE Ancillary Agreements are excluded from this Section 11.5(f).

(g) Each Member Covered Person shall be indemnified and held harmless by the Company (but only to the extent of the Company's assets), to the fullest extent permitted under applicable law, from and against any and all loss, liability and expense (including penalties; judgments; fines; amounts paid or to be paid in settlement; costs of investigation and preparations; and fees, expenses and disbursements of attorneys, whether or not the dispute or proceeding involves the Company or any Member or member of the Board; but excluding taxes) reasonably incurred or suffered by any such Member Covered Person in connection with the activities of the Company, *provided that*, any such Member Covered Person shall not be so indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which such Member Covered Person is seeking indemnification or seeking to be held harmless hereunder, and taking into account the acknowledgments and agreements set forth in this Agreement, such Member Covered Person engaged in a violation of the implied contractual covenant of good faith and fair dealing. A Member Covered Person shall not be denied indemnification, in whole or in part, under this

Section 11.5(g) because such Member Covered Person had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) Any Member Covered Person acting for, on behalf of or in relation to, the Company in respect of any transaction, investment, business decision or action, or otherwise, shall be entitled to rely on the provisions of this Agreement and on the reasonable advice of qualified counsel, accountants and other professionals that are provided to the Company or such Member Covered Person, and such Member Covered Person shall not be liable to the Company or to any Member for such Member Covered Person's reliance on this Agreement or such reasonable advice. Each Member Covered Person may rely, and shall incur no liability in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, paper, document, signature or writing reasonably believed by it to be genuine, and may rely on a certificate signed by an officer, agent or representative of any Person in order to ascertain any fact with respect to such person or within such Person's knowledge, in each case unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of such reliance, action or inaction, such Member Covered Person acted in bad faith.

(i) The Company and each of the Members hereby acknowledges that certain of the Member Covered Persons ("**Member Indemnitees**") have certain rights to indemnification, advancement of expenses or insurance provided by the Members or certain of their Affiliates (collectively, the "**Member Indemnitors**"). The Company hereby agrees, and the Members hereby acknowledge, that: (i) to the extent legally permitted and to the extent indemnification is required by the terms of this Agreement (or by the terms of any other agreement between the Company and a Member Indemnitee), (A) the Company is the indemnitor of first resort (i.e., its obligations to each Member Indemnitee are primary and any obligation of the Member Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by any Member Indemnitee are secondary) and (B) the Company shall be required to advance the full amount of expenses incurred by a Member Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement, without regard to any rights that a Member Indemnitee may have against the Member Indemnitors and (ii) the Company irrevocably waives, relinquishes and releases the Member Indemnitors from any and all claims for contribution, subrogation or any other recovery of any kind in respect of any of the matters described in clause (i) of this sentence for which any Member Indemnitee has received indemnification or advancement from the Company. The Company further agrees that no advancement or payment by the Member Indemnitors on behalf of any Member Indemnitee with respect to any claim for which a Member Indemnitee has sought indemnification from the Company shall affect the foregoing and that the Member Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Member Indemnitee against the Company. The Company and each Member agree that the Member Indemnitors are express third party beneficiaries of the terms of this Section 11.5(i).

Section 11.6 ***Officer Fiduciary Duties; Indemnification***.

(a) Each Officer (in such Person's capacity as an Officer) shall have the same fiduciary duties that an officer of the Company would have if the Company were a corporation organized under the laws of the Commonwealth of Kentucky, including the duties under KRS 271B.8-420, and the Company and its Members shall have the same rights and remedies in respect of such duties as if the Company were a corporation organized under the laws of the Commonwealth of Kentucky and the Members were its stockholders.

(b) Each Management Covered Person shall be indemnified and held harmless by the Company (but only to the extent of the Company's assets), as if the Company were a corporation organized under the laws of the Commonwealth of Kentucky and to the fullest extent permitted of an officer of a Kentucky corporation under KRS 271B.8-500 thru KRS 271B.8-580 as in effect on the date of this Agreement (but including any expansion of rights to indemnification thereunder from and after the date of this Agreement), from and against any and all loss, liability and expense (including taxes (other than income and withholding taxes); penalties; judgments; fines; amounts paid or to be paid in settlement; costs of investigation and preparations suffered by any such Management Covered Person; and fees, expenses and disbursements of attorneys, whether or not the dispute or proceeding involves the Company or any Member or member of the Board) incurred or suffered by any such Management Covered Person in connection with the activities of the Company. A Management Covered Person shall not be denied indemnification, in whole or in part, under this Section 11.6 because such Management Covered Person had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(c) Any Management Covered Person acting for, on behalf of or in relation to, the Company in respect of any transaction, any investment, business decision or action, or otherwise, shall be entitled to rely on the provisions of this Agreement and on the reasonable advice of qualified counsel, accountants and other professionals that are provided to the Company or such Management Covered Person, and such Management Covered Person shall not be liable to the Company or to any Member for such Management Covered Person's reliance on this Agreement or such reasonable advice. Each Management Covered Person may rely, and shall incur no liability in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, paper, document, signature or writing reasonably believed by such Management Covered Person to be genuine, and may rely on a certificate signed by an officer, agent or representative of any Person in order to ascertain any fact with respect to such person or within such person's knowledge, in each case unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of such reliance, action or inaction, such Management Covered Person acted in bad faith, engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that such Management Covered Person's conduct was unlawful.

(d) No amendment to this Section 11.6 nor any agreement or arrangement with any Officer that would alter the duties, rights and obligations provided in this Section 11.6 shall be permitted without the unanimous consent of the Board.

Section 11.7 ***Meetings of, and Voting by, Members***.

(a) On all matters on which the Members have a right to vote, each Class A Unit shall be entitled to one vote. Except as set forth in Section 19.2, Class B Units shall not be entitled to vote (or consent with respect to) any matters submitted to a vote (or requiring consent) of the Members. Unless otherwise prescribed by the Act, a meeting of the Class A Members may be called at any time by the Board or any Class A Member for any purpose or purposes. Meetings of Class A Members shall be held at the Company's principal place of business or at any other reasonable place agreed to by Class A Members representing a majority of the Class A Units. Not less than five, nor more than 60, days before each meeting, the Board shall give written notice of the meeting to each Class A Member. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Class A Member waives notice if before or after the meeting the Class A Member signs a waiver of the notice which is filed with the records of Class A Members' meetings, or is present at the meeting in person or by proxy. Class A Members may participate in a meeting of the Class A Members by conference telephone, videoconference or similar communications equipment if all individuals participating can hear each other. Such participation will be deemed to constitute presence in-person at such meeting except where the Class A Member attends solely for the purpose of objecting to the transaction of any business on the grounds the meeting is not lawfully called. A Class A Member may vote either in person or by written proxy signed by the Class A Member or by Class A Member's duly authorized attorney-in-fact.

(b) Except as otherwise provided in this Agreement, the affirmative vote of Class A Members holding 51% or more of the Class A Units then held by the Class A Members shall be required to approve any matter coming before the Class A Members, including, but not limited to, all actions which require a greater percentage in the Act where not modified by the terms of this Agreement.

(c) In lieu of holding a meeting, the Class A Members may vote or otherwise take action by a written instrument indicating the consent of Class A Members holding the required number of Class A Units; provided, however, that each Member shall be given prior notice of any such written consent at least five Business Days in advance.

Section 11.8 ***Member Services***. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the Board and the Members, if as required under this Agreement, no Member shall be entitled to compensation for services performed for the Company. If any compensation to Members is authorized and paid, it is intended that any such payments be considered as occurring between the Company and one who is not a partner within the meaning of Code Section 707(a), or as a guaranteed payment within the meaning of Code Section 707(c), deductible in arriving at the taxable income or loss of the Company. Upon substantiation of the amount and purpose thereof, the Members shall be entitled to reimbursement for direct expenses reasonably incurred in connection with the activities of the Company.

Section 11.9 ***Duties of Members***.

(a) Except as otherwise expressly provided in this Agreement (including this Section 11.9), nothing in this Agreement shall be deemed to restrict in any way the rights of any Member, or of any Affiliate of any Member, to conduct any other business or activity whatsoever,

and no Member shall be accountable to the Company or to any other Member with respect to that business or activity even if the business or activity competes with the Company's business. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Member or the Member's Affiliates.

(b) Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with Members and their Affiliates. Any such dealings and undertakings and transactions entered into in connection therewith shall be on fair and reasonable terms substantially as favorable to the Company and its subsidiaries as would be obtainable at the time in a comparable arm's length transaction with a Person other than a Member or any Affiliate thereof. All coal sales to RWE in the ordinary course of business and any other transactions entered into pursuant to the RWE Ancillary Agreements are deemed by all Members as arms' length and on fair and reasonable terms.

(c) During the period that they are Members, (the ***"Prohibited Period"***), each of JMPCH, JMP Holdings and JMP expressly covenants that they will, and that they will cause their respective Affiliates, members and officers to refrain from, directly or indirectly engaging in the Business within the Territory; provided, however, that each of JMPCH and JMP and their respective Affiliates, members and officers may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in the Business in the Territory, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, provided that such Person does not have the power, directly or indirectly, to control or direct the management or affairs of any such corporation. For the avoidance of doubt, references to JMP in this Section 11.9(c) and in Section 11.9(d) shall not be read to include lenders under senior secured indebtedness of the Company (including the Credit Agreement) upon foreclosure of such lenders' lien as permitted in Section 13.1(a).

(d) Each of JMPCH, JMP Holdings and JMP expressly covenants that, during the Prohibited Period, and for a period of six (6) months thereafter, they will, and they will cause their respective Affiliates, members and officers to, refrain from, directly or indirectly, on behalf of a Person or entity that engages in, or is planning to engage in, the Business in the Territory, canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company any Person or entity that is a customer with respect to the Business.

(e) During the period that it is a Member, and for a period of six (6) months thereafter, each Member expressly covenants that such Member will not, and such Member will cause its respective Affiliates (other than the Company), members and officers not to engage or employ, or solicit or contact with a view to the engagement or employment of any person who is an officer or key employee of the Company.

(f) Each Member expressly acknowledges and agrees that: (i) the business of the Company is conducted throughout the Territory; (ii) such Member shall have responsibilities with respect to, and confidential information about, the Company with respect to its business operations throughout the Territory; (iii) the limitations as to time, geographical area and scope of activity to be restrained as set forth in this Section 11.9 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company, including the protection of its trade secrets, confidential information and goodwill; and (iv) the

restrictions set forth in this Section 11.9 are reasonable in all respects, afford fair protection to the interests of the Company and the other Members and do not create restrictions that interfere with public interests or impose undue hardship on any Member. Nevertheless, if any of the aforesaid restrictions of this Section 11.9 are found by a court or arbitrator of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the Members intend for the restrictions set forth in this Section 11.9 to be modified by the court or arbitrator making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Members intend to make this Section 11.9 enforceable under all applicable laws so that this section as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal.

(g) Each Member expressly acknowledges and agrees that, in the event of a breach or threatened breach of any of the provisions of this Section 11.9 above, the Company and each other Member shall be entitled to immediate injunctive relief, as any such breach would cause the Company and each other Member irreparable injury for which it or they would have no adequate remedy at law. Subject to Section 19.7, nothing herein shall be construed so as to prohibit the Company or any Member from pursuing or obtaining any other remedies available to it hereunder, at law or in equity for any such breach or threatened breach.

ARTICLE XII.
DISSOLUTION

Section 12.1 ***Dissolution***. Notwithstanding anything in the Act to the contrary, the Company shall dissolve upon, but not before, the first to occur of the following:

(a) The approval of the Board (subject to 11.2(b)(xvii)) and satisfaction of the voting requirements set forth in Article XI.

(b) The sale or other disposition of all, or substantially all, of the assets of the Company and the collection and/or sale of any evidences of indebtedness received in connection therewith.

Dissolution of the Company shall be effective upon the date on which the event giving rise to the dissolution occurs, but the Company shall not terminate until the assets of the Company shall have been distributed as provided in Section 12.3. Notwithstanding dissolution of the Company, prior to the liquidation and termination of the Company, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

Section 12.2 ***Sale of Assets Upon Dissolution***. Following the dissolution of the Company, the Company shall be wound up and the Board shall determine whether the assets of the Company are to be sold or whether some or all of such assets are to be distributed to the Interest Holders in kind in liquidation of the Company.

Section 12.3 ***Distributions Upon Dissolution***. Upon the dissolution of the Company, the properties of the Company to be sold shall be liquidated in an orderly fashion and the proceeds thereof, and the property to be distributed in kind, shall be distributed within 90 days following the date of such dissolution, as follows:

(a) First, to the payment and discharge of all of the Company's debts and liabilities, including the Member Loans, and the interest thereon, and necessary expenses of liquidation and to the establishment of any reasonable cash reserves which the Board determines to create for unmatured and/or contingent liabilities or obligations of the Company; and

(b) Second, to the Interest Holders in proportion to the number of Units owned by them, properly taking into account any distributions made to any Interest Holders pursuant to Section 10.1(a).

ARTICLE XIII.
TRANSFERS OF UNITS

Section 13.1 ***Assignment of a Class A Member's Units***.

(a) Except as permitted pursuant to the terms of this Article XIII, Interest Holders in Class A Units may not freely sell, assign, transfer, pledge, hypothecate, encumber or otherwise dispose of their Class A Units. Any purported transfer by an Interest Holder in Class A Units in violation with the provisions of this Article XIII shall be null and void *ab initio* and the Interest Holder purporting to make such transfer shall for all purposes hereof remain an Interest Holder in Class A Units. Notwithstanding the foregoing, if a purported transfer by an Interest Holder in Class A Units is for whatever reason not deemed null and void *ab initio*, such transfer shall be subject to the provisions of this Article XIII. Notwithstanding the foregoing, the Class A Members may, subject to applicable law, freely transfer Class A Units to their Affiliates and to other Class A Members. Notwithstanding anything in this Article XIII to the contrary, the Interest Holders in Class A Units may pledge their Class A Units as security for indebtedness incurred by the Company.

(b) No Interest Holder in Class A Units that is an entity (which, for purposes of this Section 13.1(b), shall not include, JMP Holdings, RWE and its Affiliates) may cause or permit an interest, direct or indirect, in itself to be transferred, in a single transaction or series of related transactions, if the persons or entities controlling, directly or indirectly, such Interest Holder in Class A Units prior to such transfer would cease to control such Interest Holder in Class A Units following such transfer, unless in each case such transfer were treated as a direct transfer of the Class A Units held by such Interest Holder in Class A Units and such Interest Holder in Class A Units complies with the provisions of this Article XIII in connection with such transfer. For the avoidance of doubt, this Section 13.1(b) shall apply to transfers of interests in such Interest Holder in Class A Units or interests in any parent entity that holds, directly or indirectly through one or more entities, interests in such Interest Holder in Class A Units.

Section 13.2 ***Assignment of a Class B Member's Units***.

No Class B Member may sell, assign, transfer, pledge, hypothecate, encumber or otherwise dispose of Class B Units in the absence of an effective registration statement under the Securities Act, or an exemption from the registration requirements thereof or from the securities laws of the various states. Furthermore, in no event shall any Class B Member sell or transfer Class B Units to another Class B Member if such sale or transfer would result in the transferee and its Affiliates owning greater than 9.9% of the Company's total Units outstanding.

Section 13.3 ***Voluntary Transfers of Class A Units***.

(a) If any Interest Holder in Class A Units ("**Voluntary Selling Party**") desires to transfer all or part of the Voluntary Selling Party's Class A Units, the Voluntary Selling Party shall set forth the terms and conditions upon which it is willing to transfer such Class A Units in a written notice to the other Class A Members (the "**Offer Notice**"), who shall have the option to purchase such Class A Units at the price and upon the terms and conditions set forth in the Offer Notice ("**Voluntary Option**"). The right of the other Class A Members to purchase the Voluntary Selling Party's Class A Units shall be in accordance with their Class A Units among themselves, or in such other percentages as the other Class A Members shall unanimously agree. If not all of the other Class A Members exercise their Voluntary Options, those Class A Members exercising their Voluntary Options shall be entitled to purchase the balance of the Class A Units in accordance with their Class A Units among themselves, or in such other percentages as they shall unanimously agree.

(b) The Voluntary Option period shall commence upon the date of the proper delivery of the Offer Notice and shall terminate, unless exercised, 30 days thereafter, unless sooner terminated by written refusal of all of the other Class A Members. An election to exercise a Voluntary Option shall be made in writing and transmitted to the Voluntary Selling Party.

(c) Upon the failure or neglect of the other Class A Members to purchase all of the Class A Units offered in accordance with Section 13.3(a), the Voluntary Selling Party shall, for a period of 60 days from the date when the Voluntary Option expired, have the right to sell the Class A Units covered by the Offer but not purchased by other Class A Members in accordance with Section 13.3(a) to any third party, provided that such sale is for a purchase price per Class A Unit no less than the purchase price contained in the Offer Notice and upon other terms and conditions that, taken as a whole with such purchase price, are not materially less favorable to the Voluntary Selling Party than those contained in the Offer Notice. Notwithstanding the foregoing, even if the Voluntary Selling Party is a Member, the transferee of the Class A Units shall not become a substitute Member unless the requirements of Section 13.6 are met, but the transferee shall nevertheless be subject to the provisions of this Agreement. For all purposes of this Agreement, a transferee who is not admitted as a substitute Member shall only be entitled to receive the distributions to which the assignor would have been entitled with respect to the Class A Units assigned and, in such circumstances, the transferee shall have no voting rights with respect to the Class A Units assigned. If the Voluntary Selling Party fails to so sell such Class A Units within such 60-day period then such Class A Units may not be sold without first again giving the other Class A Members a Voluntary Option with respect thereto.

Section 13.4 ***Involuntary Transfers of Class A Units***.

(a) If any Class A Units of an Interest Holder in Class A Units are sought to be transferred by any involuntary means (other than death or adjudication of incompetency or insanity), including, but not by way of limitation, attachment, garnishment, execution, levy, bankruptcy, seizure or transfer in connection with a divorce or other marital property settlement, then such Interest Holder in Class A Units shall give written notice of such attempted transfer to the Company and the other Class A Members (the "**Involuntary Transfer Notice**"), and the Company first, and then the other Class A Members, shall have the option ("**Involuntary**

Option") to purchase all or any part of the Class A Units sought to be involuntarily transferred at the price and upon the terms and conditions set forth in Section 13.5. Notwithstanding any other provision of this Agreement, the Board in its sole discretion shall determine whether or not the Company shall exercise the Involuntary Option. If the Company fails to purchase the Class A Units sought to be involuntarily transferred, each of the other Class A Members shall have the right to purchase such Class A Units in accordance with their Class A Units among themselves, or in such other percentages as the other Class A Members shall unanimously agree. If not all of the other Class A Members exercise their Involuntary Options, then those Class A Members exercising their Involuntary Options shall be entitled to purchase the balance of the Class A Units in accordance with their Class A Units among themselves, or in such other percentages as they shall unanimously agree.

(b) The Involuntary Option period shall commence upon receipt by the Company and the other Class A Members of the Involuntary Transfer Notice and terminate, unless exercised, 60 days thereafter, unless sooner terminated by written refusal of the Company and the other Class A Members. An election to exercise any Involuntary Option shall be made in writing and transmitted to the Interest Holder in Class A Units whose Class A Units are sought to be involuntarily transferred.

(c) Upon the failure or neglect of the Company and the other Interest Holders in Class A Units to purchase all of the Class A Units sought to be involuntarily transferred in accordance with this Section 13.4, the unpurchased Class A Units may be involuntarily transferred, but if the transferor was a Member, the transferee may not become a substitute Member unless the conditions of Section 13.6 have been complied with, but the transferee shall nevertheless be subject to the provisions of this Agreement.

(d) If, notwithstanding the provisions of this Section 13.4, all or any part of the Class A Units are effectively transferred by involuntary means without compliance with the provisions of Section 13.4(a), then the Involuntary Option shall be to purchase such Class A Units from the transferee(s).

Section 13.5 ***Purchase Price and Terms***.

(a) The purchase price for all of the Class A Units to be purchased pursuant to the exercise of the Involuntary Option shall be the Involuntary Option Price (as hereafter defined) of the Units. "**Involuntary Option Price**" means the total book value of the Class A Units to be purchased in accordance with generally accepted accounting principles consistently applied (as calculated by an independent party to be mutually agreed).

(b) The Involuntary Option Price shall, at the option of the purchaser, be paid either (i) by cashier's or certified check on the closing date, or (ii) at least 20% by cashier's or certified check on the closing date, with the balance represented by a promissory note of the purchaser, bearing interest at the applicable federal rate (within the meaning of section 1274(d) of the Code), payable in not more than five equal annual installments of principal together with accrued interest.

(c) The closing date shall occur on or before 30 days following the exercise of the Involuntary Option. At the closing, the selling Interest Holders in Class A Units shall execute such instruments of assignment as shall be requested by the purchaser conveying title to the Class A Units purchased, free and clear of all liens and encumbrances whatsoever.

Section 13.6 ***Substitute Member***. No assignee of all or a portion of the Units of an Interest Holder shall have the right to become a substitute Member unless all of the following conditions are satisfied:

(a) the fully executed and acknowledged written instrument of assignment has been filed with the Company setting forth the intention of the assignor that the assignee become a substitute Member in place of the assignor with respect to the Units assigned; and

(b) the assignor and assignee execute and acknowledge such other instruments as the Board deems reasonably necessary or desirable to effect such admission, including, but not limited to, the written acceptance and adoption by the assignee of the provisions of this Agreement.

Section 13.7 ***Tag-Along Rights***.

(a) If any Interest Holder (a "**Selling Party**") desires to transfer all or part of such Selling Party's Units in one or a series of transactions, which would result in such Selling Party being deemed to have sold, under the attribution rules provided for in Section 13.7(e), when taken together with all previous transfers of Units by such Selling Party that occurred after the Effective Date, at least 20% of the total outstanding Units in the aggregate, then the Selling Party shall be obligated, within 10 days of agreeing upon the terms of such transfer of Units, to give notice thereof ("**Tag-Along Notice**") to all of the other Interest Holders ("**Other Interest Holders**"); provided, however, than any transfer by RWE or any of its Affiliates of any Units held by RWE or any of its Affiliates shall not result in a Tag-Along Right (as defined below) for the benefit of any Other Interest Holder (as defined below) pursuant to this Section 13.7. The Tag-Along Notice shall state that it is a Tag-Along Notice and shall specify the highest price per Unit to be paid by the purchasing party (or any other person whose Units are attributed to the purchasing party, if any) and such price shall be the price paid per Unit in connection with the tag-along rights set forth in this Section 13.7. Each of the Other Interest Holders shall have the right, but not the obligation, to sell that number of Units held by such Other Interest Holder equal to the product obtained by multiplying (x) the number of Units held by such other Interest Holder by (y) a fraction (A) the numerator of which is equal to the number of Units the Selling Party proposes to sell or transfer to the purchasing party, and (B) the denominator of which is equal to the number of Units then owned by such Selling Party ("**Tag-Along Right**"). Notwithstanding the foregoing, if the Tag-Along Notice is delivered in connection with a proposed transfer of Units by a Selling Party (other than RWE or any of its Affiliates) that constitute less than 20% of the outstanding Units and that would, when taken together with all previous transfers of Units by such Selling Party that occurred after the Effective Date, result in the transfer of at least 20% of the outstanding Units, then the Tag-Along Right in connection with such Tag-Along Notice shall be calculated as if all of the Units previously transferred by such Selling Party were still owned by such Selling Party and were being transferred in such proposed transfer.

(b) If any Other Interest Holder desires to exercise its Tag-Along Right, such Other Interest Holder shall give written notice thereof to the purchasing party within 30 days following receipt of the Tag-Along Notice. In such notice, the Other Interest Holder shall specify the number of Units the Other Interest Holder desires to sell to the purchasing party.

(c) The closing of any purchase which is to occur as a result of the exercise of the Tag-Along Right by an Other Interest Holder shall occur within 60 days following the giving of the Tag-Along Notice on a date mutually convenient to the purchasing party and the Other Interest Holder. At the closing, (i) the purchasing party shall pay the purchase price by certified or cashier's check, or wire transfer of immediately available funds to the account designated by the Other Interest Holder, and (ii) the Other Interest Holder shall execute such instruments of assignment as shall be requested by the purchasing party conveying the Other Interest Holder's Units purchased free and clear of all liens and encumbrances whatsoever other than liens and encumbrances securing indebtedness of the Company.

(d) No Other Interest Holder shall be required to provide any representations, warranties or indemnities in connection with the exercise of its Tag-Along Rights, other than (A) representations, warranties or indemnities for which the sole recourse is to consideration in escrow or holdback and (B) customary (including with respect to qualifications) several (and not joint) representations, warranties and indemnities concerning (1) such holder's valid title to and ownership of Units, free of all liens, claims and encumbrances (excluding those arising under applicable securities laws), (2) such holder's authority, power and right to exercise such Tag-Along Rights and consummate the sale by such Holder of its Units in connection therewith, (3) the absence of any violation, default or acceleration of any agreement to which such holder is subject or by which its assets are bound as a result of its exercise of its Tag-Along Rights and the consummation of the sale by such holder of its Units in connection therewith, and (4) the absence of, or compliance with, any governmental or third party consents, approvals, filings or notifications required to be obtained or made by such holder in connection with its exercise of its Tag-Along Rights and the consummation of the sale by such holder of its Units in connection therewith; *provided* that, (x) any such representations, warranties or indemnities shall only be provided by any Other Interest Holder to the extent that each other holder of Units that elects to sell its Units in the transactions giving rise to the applicable Tag-Along Right is similarly obligated to provide similar representations, warranties and indemnities with respect to the Units held by such holder of Units, (y) any such indemnity shall be provided by each Other Interest Holder on a pro rata basis based on the gross proceeds to be received by such Other Interest Holder as a proportion of the aggregate gross proceeds to be received by all holders of Units in the relevant transfer (except with respect to indemnity resulting from the breach of any representation or warranty included in clauses (B)(1) through (B)(4) above, in which case, such indemnity shall be provided solely by the Other Interest Holder in breach of such representation or warranty) and (z) each Other Interest Holder that elects to transfer its pro rata portion of the Units in connection with its exercise of its Tag-Along Rights will be responsible for funding its share (based on the gross proceeds to be received by such Other Interest Holder as a proportion of the aggregate gross proceeds to be received by all other holders of Units in the relevant transfer) of any escrow or holdback in connection with the proposed transfer and such share of any withdrawals therefrom (except with respect to withdrawals resulting from a breach of any representation or warranty included in clauses (B)(1) through (B)(4) above, in which case, the amounts withdrawn shall be funded solely by the Other Interest Holder in breach of such representation or warranty).

(e) For purposes of Sections 13.7 and 13.8, a Selling Party shall be deemed to own any Units which (i) are owned, directly or indirectly, by such Selling Party's spouse, ancestors, lineal descendants and siblings, (ii) are owned, directly or indirectly, by any entity in which such Selling Party, directly or indirectly, owns either (a) a majority of the value of the equity securities of such entity, or (b) a majority of the voting securities of such entity, (iii) are owned by an Affiliate of such Selling Party or are owned by the ultimate beneficial owner of such Selling Party; (iv) are owned by a trust or estate of which such Selling Party is a beneficiary, to the extent of such Selling Party's actuarial interest in the trust or the estate, (v) could be acquired, directly or indirectly, by such Selling Party by means of the exercise of an option or conversion privilege, whether or not currently exercisable, or (vi) which are owned by any parties with whom such Selling Party is acting in concert pursuant to a contractual agreement or understanding (whether oral or in writing) to acquire Units of the Company. Any Units which are deemed owned by any person or entity pursuant to the foregoing rules shall be deemed actually owned by such person or entity for purposes of again attributing such Units to another person or entity.

(f) No Interest Holder exercising its Tag-Along Rights under Section 13.7 or Minority Interest Holder subject to a Drag-Along Right under Section 13.8 shall be obligated to enter into any non-competition covenant in connection with the transaction giving rise to such Tag-Along Right or Drag-Along Right.

Section 13.8 ***Drag-Along Rights***.

(a) If at any time any Selling Party or Parties proposes to sell all (but not less than all) of its Units (which, in the case of Class A Units, must have first been subject to Sections 13.3 or 13.4) which cause the Selling Party or Parties to sell or be deemed to sell under the attribution rules provided for in Section 13.7(e), more than 50% of the outstanding Units in the aggregate, then such Selling Parties shall have the right to require all (but not less than all) of the other Interest Holders ("**Minority Interest Holders**") to sell all (but not less than all) of the Units owned by the Minority Interest Holders in a transaction ("**Drag-Along Transaction**") upon the terms and conditions set forth in this Section 13.8 ("**Drag-Along Right**"). The purchase price per Unit shall be an amount equal to the highest price per Unit to be received the Selling Party or Parties. Notwithstanding the foregoing, the Drag-Along Right shall not apply in the event of any transfer of Units by a Member to any of its Affiliates or to another Member.

(b) If the Selling Party or Parties desire to exercise the Drag-Along Right, they shall give written notice thereof to the Minority Interest Holders ("**Drag-Along Notice**"). Such notice shall also specify the price which will be paid by the acquiring party in accordance with the terms of this Agreement, which shall consist of cash only unless Minority Interest Holders holding more than 50% of the Units held by all Minority Interest Holders shall consent to another form of payment ("**Drag-Along Price**").

(c) The closing of any purchase which is to occur as a result of the exercise of the Drag-Along Right shall occur within 30 days following the giving of the Drag-Along Notice on a date mutually convenient to the Selling Parties. At the closing, (i) the acquiring party shall pay the purchase price by certified or cashier's check, or wire transfer of immediately available funds to the account designated by each Selling Parties; (ii) all Member Loans made by Minority Interest Holders shall be repaid, with any interest or other payments due, pursuant to the terms of the

agreements governing such Member Loans; (iii) any guarantees made by Minority Interest Holders or their Affiliates shall be assigned to the Selling Party or otherwise released in a manner to be approved by the Minority Interest Holders or their Affiliates; and (iv) the Minority Interest Holder shall execute such necessary instruments of assignment conveying the Minority Interest Holder's Units free and clear of all liens and encumbrances whatsoever other than those securing indebtedness of the Company.

(d) No holder of Units shall be required to provide any representations, warranties or indemnities in connection with the Drag-Along Transaction, other than (A) representations, warranties or indemnities for which the sole recourse is to consideration in escrow or holdback and (B) customary (including with respect to qualifications) several (and not joint) representations, warranties and indemnities concerning (1) such holder's valid title to and ownership of Units, free of all liens, claims and encumbrances (excluding those arising under applicable securities laws), (2) such holder's authority, power and right to enter into and consummate such Drag-Along Transaction, (3) the absence of any violation, default or acceleration of any agreement to which such holder is subject or by which its assets are bound as a result of the Drag-Along Transaction, and (4) the absence of, or compliance with, any governmental or third party consents, approvals, filings or notifications required to be obtained or made by such holder in connection with the Drag-Along Transaction; *provided* that, (x) any such representations, warranties or indemnities shall only be provided by a holder of Units to the extent that each other holder of Units that is subject to the Drag-Along Right is similarly obligated to provide similar representations, warranties and indemnities with respect to the Units held by such holder of Units, (y) any such indemnity shall be provided by a Minority Interest Holder on a pro rata basis based on the gross proceeds to be received by such Minority Interest Holder as a proportion of the aggregate gross proceeds to be received by all holders of Units in the Drag-Along Transaction (except with respect to indemnity resulting from the breach of any representation or warranty included in clauses (B)(1) through (B)(4) above, in which case, such indemnity shall be provided solely by the Minority Interest Holder in breach of such representation or warranty) and (z) each Minority Interest Holder that is required to transfer all of its Units in connection with the Drag-Along Transaction will be responsible for funding its share (based on the gross proceeds to be received by such Minority Interest Holder as a proportion of the aggregate gross proceeds to be received by all holders of Units in the Drag-Along Transaction) of any escrow or holdback in connection with the Drag-Along Transaction and such share of any withdrawals therefrom (except with respect to withdrawals resulting from a breach of any representation or warranty included in clauses (B)(1) through (B)(4) above, in which case, the amounts withdrawn shall be funded solely by the Minority Interest Holder in breach of such representation or warranty).

(e) Notwithstanding anything to the contrary in this Section 13.8, following the delivery of a Drag-Along Notice by the Selling Party or Parties, the Minority Interest Holders shall have the option, exercisable by written notice to the Selling Party or Parties, to purchase all (but not less than all) of the Units held by the Selling Party or Parties for a price equal to the Drag-Along Price and on terms and conditions consistent with those applicable to the Drag-Along Transaction contemplated by such Drag-Along Notice (the "**Drag-Along Purchase Option**"). The right of the Minority Interest Holders to purchase the Units of the Selling Party or Parties shall be in accordance with their Units among themselves, or in such other percentages as the Minority Interest Holders shall unanimously agree. If not all of the Minority Interest Holders exercise their Drag-Along Purchase Option, those Minority Interest Holders exercising their Drag-Along

Purchase Option shall be entitled to purchase the balance of the Units in accordance with their Units among themselves, or in such other percentages as they shall unanimously agree; provided that the Minority Interest Holders must purchase in the aggregate all of the Units held by the Selling Party or Parties. The exercising Minority Interest Holders shall notify the Selling Party or Parties of their exercise of the Drag-Along Purchase Option in writing no later than 30 days following receipt of the Drag-Along Notice from the Selling Party or Parties. The closing of the Drag-Along Purchase Option shall occur on or before 60 days following the exercise of the Drag-Along Purchase Option. At the closing, the Selling Party or Parties shall execute such instruments of assignment as shall be requested by the exercising Minority Interest Holders conveying title to the Units purchased, free and clear of all liens and encumbrances whatsoever.

Section 13.9 ***Publicly Traded Partnership Safe Harbors***. Notwithstanding anything in this Operating Agreement to the contrary, any purported transfer by an Interest Holder that would, or would be likely to, cause the Company to satisfy neither the safe harbor contained in Treasury Regulation § 1.7704-1(h) nor the safe harbor contained in Treasury Regulation § 1.7704-1(j), in the determination of the Company, shall be null and void *ab initio* and the Interest Holder purporting to make such transfer shall for all purposes hereof remain the holder of the relevant interests.

Section 13.10 ***Indemnification for Code 708(b)(1)(B) Termination***. Notwithstanding anything in this Operating Agreement to the contrary, if an Interest Holder and/or any parent entities or Affiliates of such Interest Holder (together, the 'Transferring Interest Holder') transfer(s) 35% or more of the outstanding Units (directly or indirectly through the transfer of equity interests in such Transferring Interest Holder or in one or more parent entities or Affiliates of such Transferring Interest Holder (including as a result of the consummation of an internal reorganization, restructuring or other transaction involving such Transferring Interest Holder and any of its Affiliates) in one transaction or a series of related transactions and such transfer, together with any previous transfers of Units by other Interest Holders (directly or indirectly through the transfer of equity interests in such Interest Holders or in one or more parent entities or Affiliates of such interest Holders) results in the termination of the tax partnership represented by the Company pursuant section 708(b)(1)(B) of the Code, such Transferring Interest Holder shall indemnify and hold harmless each other Interest Holder from and against any net tax costs (determined on a present value basis, using a 10% per annum discount rate) incurred by such other Interest Holder Arising from such termination.

Section 13.11 ***Initial Public Offering Class B Conversion***.

(a) Immediately prior to either an Initial Public Offering (and any subsequent offerings) or a Merger, each outstanding Class B Unit shall, without the payment of any additional consideration or other action on the part of the Company or the Class B Members, convert into one Class A Unit (the "**Class B Conversion**"). Any Class B Units that are represented by certificates shall, immediately after the Class B Conversion, represent a number of Class A Units equal to the same number of Class B Units as reflected on the face of such certificates until such time as the Company has issued new certificates evidencing the Class A Units outstanding as a result of the Class B Conversion. In connection with an Initial Public Offering (and any subsequent offerings) and following the Class B Conversion, each Class A Unit shall be allowed to participate on an equal and ratable basis, subject to customary limitations. In a Merger, following the Class B

Conversion, each Class A Unit shall be treated equally with regards to consideration (including, in the case of a sale of all or substantially all of the assets of the Company and of all of the Material Subsidiaries, any distribution of such consideration).

(b) In connection with an Initial Public Offering (and any subsequent offerings) or a Merger, if any Member (each, a "**Blocker Holder**") has a structure where it holds all or a portion of its Units, directly or indirectly, through one or more blocker corporations (a "**Blocker Corporation**"), the Members and the Board agree to use reasonable efforts to cooperate with such Blocker Holder to structure such Initial Public Offering, subsequent offering or Merger in a manner that permits the applicable Blocker Holder to sell its Units in such Initial Public Offering, subsequent offering or Merger, as applicable, through the sale of the percentage of such Blocker Holder's equity interests in such Blocker Corporation (in lieu of Units held by such Blocker Holder) that is as nearly equal as practicable to the percentage of such Units that such Blocker Holder would otherwise be entitled to sell pursuant to such Initial Public Offering, subsequent offering or Merger, if so requested by the applicable Blocker Holder; provided, however, that any purchase price discount to either the Company or the interests in the Blocker Corporation resulting from a sale of interests in such Blocker Corporation to a buyer, as opposed to the Blocker Corporation's sale of the Units, will be borne solely by such Blocker Holder.

ARTICLE XIV.
CERTIFICATES FOR UNITS

Section 14.1 ***Certificates***. Unless otherwise decided by the Board, Units in the Company will be uncertificated. If issued, certificates representing Units shall be in such form as may be determined by the Board. Such certificates shall be signed by Officers designated by the Board. If a seal has been adopted, such certificates may bear such seal or its facsimile. The signatures of the Officers upon such certificates may be signed manually or by facsimile. All certificates for Units shall be consecutively numbered by class. The name of the person owning the Units represented thereby, with the number of Units and the date of issue, shall be entered on the books of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificates shall be issued until the former certificates for a like number of Units shall have been surrendered and canceled, except that, in the case of a lost, destroyed or mutilated certificate, a new one may be issued therefore upon such terms and indemnity to the Company as the Board may prescribe.

Section 14.2 ***Transfer of Units on Company's Books***. Transfer of Units shall be made only on the books of the Company by the registered holder thereof, or by the registered holder's legal representative who shall furnish proper evidence of authority to transfer, or by the registered holder's attorney-in-fact thereunto authorized by power of attorney duly executed and filed with the Secretary, and on surrender for cancellation of the certificate for such Units. The person in whose name Units stand on the books of the Company shall be deemed the owner thereof for all purposes as regards the Company.

Section 14.3 ***Legends on Certificates***. All certificates representing Units, if issued, shall bear the following legend (in addition to any other legend that counsel to the Company shall deem appropriate):

"The Units represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), or the securities laws of any state and may not be sold or transferred in the absence of an effective registration statement under the Act and such laws or an exemption from the registration requirements thereof.

The Units represented by this certificate are subject to, and are transferrable only in compliance with, the Third Amended and Restated Operating Agreement of the Company dated as of June 22, 2015 (as the same may be amended or restated from time to time in accordance with its terms)."

ARTICLE XV.
TAX MATTERS PARTNER

Section 15.1 ***Tax Matters Partner***.

(a) The TMP for the Company shall be the Member selected by the Board. Until otherwise determined by the Board, the TMP shall be JMP so long as it is a Member. The TMP shall have such authority as is granted a TMP under the Code.

(b) The TMP shall employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Internal Revenue Service and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel, as well as all other expenses incurred by the TMP in serving as the TMP, shall be a Company expense and shall be paid by the Company.

(c) The Company shall indemnify the TMP for, and hold the TMP harmless from, any and all judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the TMP in any civil, criminal or investigative proceeding in which the TMP is involved or threatened to be involved by reason of being the TMP, provided that the TMP acted in good faith, within what the TMP reasonably believed to be within the scope of the TMP's authority and for a purpose which the TMP reasonably believed to be in the best interests of the Company or the Members. The TMP shall not be indemnified under this provision against any liability to the Company or its Members to which the TMP would otherwise be subject by reason of willful misconduct or gross negligence in the TMP's duties involved in acting as TMP.

ARTICLE XVI.
[RESERVED]

ARTICLE XVII.
REPRESENTATIONS, WARRANTIES AND COVENANTS OF INTEREST HOLDERS

Section 17.1 ***Representations, Warranties and Covenants of Interest Holders***. Each of the Interest Holders hereby represents and warrants to, and agrees with, the Company that:

(a) The Interest Holder has the full right, power and authority to execute, deliver and perform the terms of this Agreement.

(b) This Agreement has been duly executed and delivered on behalf of the Interest Holder and constitutes the valid and binding obligation of the Member in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws in effect which affect the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies.

(c) The Interest Holder is not subject to any restriction or agreement which prohibits or would be violated by the execution hereof or the consummation of the transactions contemplated herein or pursuant to which the consent of any third person, firm, limited liability, corporation, or other entity is required in order to give effect to the transactions contemplated herein, which consent has not been obtained or made as of the date hereof.

(d) The Interest Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, or has obtained the advice of an advisor who is so qualified.

(e) The Interest Holder has been advised that the Units have not been registered under the Securities Act or under the laws of any other jurisdiction, nor does the Company contemplate registering the Units. Accordingly, the Units must be held by the Member indefinitely unless such Units are subsequently registered under the Securities Act or an exemption from such registration is available.

(f) The Units are being acquired for the Interest Holder's own account, solely for investment purposes and not with a present view toward resale, distribution or other disposition and will not be sold, transferred or disposed of except pursuant to an effective registration statement under the Securities Act or an exemption therefrom.

(g) The Interest Holder recognizes that an investment in the Company involves great risks, including a possible total loss of the Interest Holder's investment, and the Interest Holder has taken full cognizance of, and understands all of, the risk factors related to such investment.

(h) Either (i) the Interest Holder is not a partnership, grantor trust or S corporation for U.S. federal income tax purposes, or (ii) if such Interest Holder is such an entity, 50% or less of the value of the ownership interest of any beneficial owner in such Interest Holder is attributable to interests in the Company and permitting the Company to satisfy the 100-partner limitation in Treasury Regulation § 1.7704-1(h)(1)(ii) of the Treasury Regulations is not a principal purpose of the Interest Holder's beneficial owners investing in the Company through such Interest Holder.

(i) The Interest Holder or, if applicable, the Interest Holder's advisor, has had full access to all information necessary to make a determination of whether to invest in the Company and has had an opportunity to ask questions of the Interest Holders concerning an investment in the Company.

Section 17.2 ***Confidentiality; Announcements***.

(a) Each Interest Holder agrees not to divulge, communicate, use to the detriment of the Company or for the benefit of any other person, or misuse in any way, any confidential information or trade secrets of the Company, including personnel information, secret processes, know-how, customer lists, formulas or other technical data, except as may be required by law; provided, however, that this prohibition shall not apply to (i) any information which, through no improper action of such Interest Holder, is publicly available or generally known in the industry, (ii) any information which is disclosed upon the consent of the Board (provided, however, that any Board consent regarding disclosing information relating to RWE, including its ownership interest in the Company and any transaction between RWE or any of its Affiliates and the Company (including the Coal Marketing Agreement and Coal Sale Agreement), shall require the prior written consent of RWE, notwithstanding anything to the contrary under this Agreement), (iii) information disclosed by such Interest Holder to its Affiliates and to managers, directors, officers, employees and authorized representatives (including attorneys, accountants, consultants, bankers and financial advisors) of such Interest Holder and of such Interest Holder's Affiliates (collectively, for purposes of this Section 17.2, "**Representatives**"), each of which Representatives shall be bound by the provisions of this Section 17.2 or substantially similar terms, and that such Interest Holder shall be responsible for a breach of this Section 17.2 by any of its Representatives; (iv) any information which the Interest Holder is required to disclose in a judicial or administrative proceeding or as otherwise required by applicable law; (v) any information which the Interest Holder is required to include in any report, statement or testimony submitted to any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Interest Holder or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors; (vi) information required to be disclosed by such Interest Holder to the Administrative Agent or the Collateral Agent (as each such term is defined in the Credit Agreement); and (vii) information disclosed by such Interest Holder to any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any Units by such Interest Holder, provided that such prospective transferee agrees to be bound by the confidentiality provisions contained in this Section 17.2(a). Each Interest Holder acknowledges and agrees that any information or data such Interest Holder has acquired on any of these matters or items were received in confidence and as a fiduciary of the Company.

(b) It is agreed among the parties that the Company would be irreparably damaged by reason of any violation of the provisions of Section 17.2(a), and that any remedy at law for a breach of such provisions would be inadequate. Therefore, the Company shall be entitled to seek and obtain injunctive or other equitable relief (including, but not limited to, a temporary restraining order, a temporary injunction or a permanent injunction) against any Interest Holder for a breach or threatened breach of such provisions and without the necessity of proving actual monetary loss. It is expressly understood among the parties that this injunctive or other equitable relief shall not be the Company's exclusive remedy for any breach of this Section 17.2 and the Company shall be entitled to seek any other relief or remedy that the Company may have by contract, statute, law or otherwise for any breach hereof, and it is agreed that the Company shall also be entitled to recover its attorneys' fees and expenses in any successful action or suit against any Interest Holder relating to any such breach.

(c) Except to the extent necessary to comply with the requirements of (i) applicable laws or (ii) the rules, regulations or orders of any governmental authority, no press release or similar public announcement or communication shall be made or caused to be made concerning the subject matter of this Agreement or the operations of the Company unless approved in advance by the Board; provided that any such press release or similar public announcement or communication that includes information relating to RWE, including its ownership interest in the Company and any transactions between RWE or any of its Affiliates and the Company (including the Coal Marketing Agreement and the Coal Sale Agreement), shall also require the prior consent of the non-voting observer of the Board as appointed by RWE.

ARTICLE XVIII.
INSURANCE

Section 18.1 ***Insurance***. In addition to the insurance contemplated by Section 11.5(e), the Company shall maintain the types and limits of insurance listed in Exhibit D in accordance with the requirements and conditions set forth in that Exhibit.

ARTICLE XIX.
GENERAL

Section 19.1 ***Notices***.

(a) All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing and be personally delivered against a written receipt, delivered to a reputable messenger service (such as FedEx, DHL Courier, United Parcel Service, etc.) for overnight delivery, transmitted by confirmed telephonic facsimile (fax) or transmitted by mail, registered, express or certified, return receipt requested, postage prepaid, addressed as follows:

(i) If given to the Company, to the Company at its principal office;

(ii) If given to an Interest Holder, to the Interest Holder at the address set forth in the records of the Company.

(b) All notices, demands and requests shall be effective upon being properly personally delivered, upon being delivered to a reputable messenger service, upon transmission of a confirmed fax, or upon being deposited in the United States mail in the manner provided in Section 19.1(a). However, the time period in which a response to any such notice, demand or request must be given shall commence to run from the date of personal delivery, the date of delivery by a reputable messenger service, the date on the confirmation of a fax, or the date on the return receipt, as applicable.

Section 19.2 ***Amendment***. This Agreement may be modified or amended from time to time pursuant to Section 11.2; provided, however, that no such amendment may be made which reduces the distribution rights of a Member, hinders or limits any voting or consent right of a Member or otherwise adversely affects that Member without the consent of such Member; provided further, however, that, without limiting the foregoing, this Agreement shall not be

amended in any manner that would adversely affect the rights of any Class B Member as they relate to the rights of the Class A Members without the consent of such Class B Member.

Section 19.3 ***Captions; Section References***. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference, and in no way define, limit, extend or describe the scope of this Agreement, or the intent of any pro- vision hereof. All references herein to Sections shall refer to Sections of this Agreement unless the context clearly requires otherwise.

Section 19.4 ***Number and Gender***. Unless the context otherwise requires, when used herein, the singular shall include the plural, the plural shall include the singular, and all nouns, pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, as the identity of the person or persons may require.

Section 19.5 ***Severability***. If any provision of this Agreement, or the application thereof to any person, entity or circumstances, shall be invalid or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to other persons, entities or circumstances, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 19.6 ***Binding Agreement***. Except as otherwise provided herein, this Agreement shall be binding upon, and inure to the benefit of, the parties hereto, and their respective executors, administrators, heirs, successors and assigns.

Section 19.7 ***Applicable Law and Dispute Resolution***.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky without regard to its conflict of laws rules.

(b) Any claim, controversy or dispute arising out of or relating to this Agreement, or the breach hereof, shall be resolved fully and finally by binding arbitration under the Commercial Rules of the American Arbitration Association ("**Rules**"), and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. With respect to any arbitration, the number of arbitrators shall be three, with each party to such arbitration having the right to appoint one arbitrator who shall together then appoint a third neutral arbitrator within thirty (30) days in accordance with the Rules. None of the arbitrators shall have been previously employed by either party or their Affiliates or have any direct interest in any such party or their Affiliates or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all parties to such arbitration. The place of arbitration hearings shall be at a mutually agreed upon location but if the parties to such arbitration are unable to agree upon a location then the arbitration shall be held in Louisville, Kentucky. It is expressly agreed that the arbitrators (i) shall have authority to provide injunctive relief or other equitable remedies (including but not limited to specific performance) and (ii) shall have no authority to award consequential, special, indirect, or exemplary, or punitive damages of any type under any circumstances regardless of whether such damages may be available under applicable law, or federal law, or under the Federal Arbitration Act, the parties hereby waiving their rights, if any, to recover consequential, special, indirect, exemplary, and punitive damages with respect to this

Agreement. Any award reached by the arbitrators may be vacated pursuant to applicable law. The Company and the Interest Holders agree that all arbitration proceedings conducted hereunder and the decision of the arbitrators shall be kept confidential and not disclosed, except to the Company, the Interest Holders, their Affiliates, accountants, lawyers and regulatory bodies to the extent necessary to enforce the decision.

(c) The provisions of this Section 19.7 shall be the sole and exclusive procedure for the resolution of disputes under this Agreement; provided, however, that, only until such time as the arbitrators have been selected as provided in Section 19.7(b), a party may file a complaint in a court of competent jurisdiction on issues involving requests for injunctive relief or other equitable remedies (including but not limited to specific performance). Preservation of these remedies does not limit the power of the arbitrator(s) to grant similar remedies as contemplated by Section 19.7(b), and despite such actions, the parties will continue to participate in good faith in and be bound by the dispute resolution procedures set forth in this Section 19.7. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY AND VOLUNTARILY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 19.8 ***Entire Agreement***. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof. Except as provided in Section 19.2, no variations, modifications or changes hereof shall be binding upon any Member unless set forth in a document duly executed by such Member. This Agreement supersedes and replaces, in all respects, the Existing Operating Agreement and any other prior operating agreements of the Company.

Section 19.9 ***No Third Party Beneficiaries***. Except for Covered Persons under Sections 11.5(c) and (d), the provisions of this Agreement are not for the benefit of any third parties and no person shall be considered a third party beneficiary thereof.

Section 19.10 ***Counterparts***. This Agreement may be executed in any number of counterparts and all such counterparts shall, for all purposes, constitute one agreement, binding upon the parties hereto, notwithstanding that all parties are not signatory to the same counterpart.

Section 19.11 ***No Right of Partition***. The Members hereby agree that the Company's properties are not, and will not be, suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights which such Member may have to maintain an action for partition of any of the Company's properties.

Section 19.12 ***Construction***. The parties acknowledge that they have each participated in the preparation of this Agreement and that this Agreement shall be construed without regard to the identity of the party who drafted its various provisions and any rule of construction that a document is to be construed against the drafting party shall not apply.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

JMP Blackhawk, LLC

By: JMP Coal Holdings, LLC, Manager

By: _____
John M. Potter, Manager

RWE Trading Americas, Inc.

By: _____
Eric Shaw, Authorized Signatory

By: _____
Clare Dunn, Authorized Signatory

Griers Creek Advisors, LLC

By: _____
Nicholas R. Glancy, Manager

JMP Coal Holdings, LLC

By: _____
John M. Potter, Manager

JMP Holdings, LLC

By: _____
John M. Potter, Manager

Blackhawk Mining LLC

By: _____
John M. Potter, Chief Executive Officer

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

JMP Blackhawk, LLC

By: JMP Coal Holdings, LLC, Manager

By: _____
John M. Potter, Manager

RWE Trading Americas, Inc.

By: _____
Name: Julianne Weiss
Its: Authorized Signatory

By: _____
Name: Brett Burri
Its: Authorized Signatory

Griers Creek Advisors, LLC

By: _____
Nicholas R. Glancy, Manager

JMP Coal Holdings, LLC

By: _____
John M. Potter, Manager

JMP Holdings, LLC

By: _____
John M. Potter, Manager

Blackhawk Mining LLC

By: _____
John M. Potter, Chief Executive Officer

SCHEDULE A

OWNERSHIP OF UNITS

Class A Units	
JMP Blackhawk, LLC	3,793.42 Units
RWE Trading Americas, Inc.	990.00 Units
JMP Holdings, LLC	1,510.00 Units
JMP Coal Holdings, LLC	2375.00 Units
Griers Creek Advisors, LLC	81.58 Units
Total Class A Units	8,750.0 Units
Class B Units	
CPPIB CII US Holdings (2) Inc.	607.14 Units
KH Blackhawk, Inc.	250.0 Units
Huntington Equity Investments, LLC	71.43 Units
DBAH Capital, LLC	192.86 Units
Deutsche Bank Securities Inc.	128.57 Units
Total Class B Units	1,250.0 Units

SCHEDULE B

CLASS B MEMBERS

CPPIB CII US Holdings (2) Inc.	607.14 Units
KH Blackhawk, Inc.	250.0 Units
Huntington Equity Investments, LLC	71.43 Units
DBAH Capital, LLC	192.86 Units
Deutsche Bank Securities Inc.	128.57 Units
Total Class B Units	1,250.0 Units

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement is executed by the undersigned pursuant to the Third Amended and Restated Operating Agreement of Blackhawk Mining LLC (the "Company"), dated June 22, 2015, a copy of which is attached hereto and is incorporated herein by reference (the "Operating Agreement"). By the execution of this Adoption Agreement the undersigned agrees as follows:

1. Acknowledgment. The undersigned acknowledges that the undersigned is receiving ____ Class B Units and is subject to the terms and conditions of the Operating Agreement (including the Schedules and Exhibits thereto). Capitalized terms used herein without definition are defined in the Operating Agreement and are used herein with the same meanings set forth therein.

2. Operating Agreement. The undersigned hereby joins in and agrees to be bound by and subject to the terms of the Operating Agreement (including the Schedules and Exhibits thereto) with the same force and effect as if he were originally a party thereto.

3. Notice. Any notice required or permitted by the Operating Agreement shall be given to the undersigned at the address listed below.

EXECUTED AS A DEED AND DATED on this ____ day of _____, 2015.

_____

[Name]

Notice Address:_____

_____

_____

Facsimile:_____

EXHIBIT B

[Reserved]

EXHIBIT C

RELATED PARTY TRANSACTIONS

Office Lease Agreement for 3228 Summit Square Place, Suite 180 and Suite 200, Lexington, KY dated October 9, 2012, between Stillwater Development, LLC and Company

Office Lease Agreement for 3229 Summit Square Place, Suite 230, Lexington, KY dated January 1, 2013, between Stillwater Development, LLC and Company

Aircraft Sublease Agreement, dated October 9, 2012, between JMP Coal Holdings, LLC and Company

Helicopter Lease Agreement, dated October 9, 2012, between JMP Coal Holdings, LLC and Company

Contractor Services Agreement (Shop Repair and Maintenance), dated October 9, 2012, between Falcon Ridge Leasing, LLC and Company

Contractor Services Agreement (General Services) dated March 1, 2011, between Hawkeye Contracting Company, LLC and Company

Contractor Services Agreement (Refuse Hauling Services) dated March 1, 2011, between Hawkeye Contracting Company, LLC and Company

Commercial Lease Agreement for 30 Little Creed Rd., Pikeville, KY 41501 dated January 1, 2013 between Potter Holdings, LLC and Company

Operating Equipment Lease, dated October 9, 2012, between Falcon Ridge Leasing, LLC and Company

Coal Marketing and Agency Agreement, dated October 9, 2012, between RWE Supply & Trading GmbH and Company

Master Coal Purchase and Sale Agreement, dated October 9, 2012, between RWE Supply & Trading GmbH and Company, and any confirmations thereunder

Employment Agreement, dated September 13, 2012, between Nicholas Glancy and Company, as amended on August 31, 2014

JMPCH Member Loan

EXHIBIT D

INSURANCE

The Company shall maintain the following types and limits of insurance listed below.

Type	Limits	Company
General Liability	$2 MM (AG)	Blackhawk Mining, LLC
Excess Liability	$20 MM	Blackhawk Mining, LLC
Pollution	$15 MM	Blackhawk Mining, LLC
Workers Comp	$1 MM	Blackhawk Mining, LLC
Inland Marine/Property	As scheduled in policies	Blackhawk Mining, LLC
Automobile	$1 MM	Blackhawk Mining, LLC
General Liability	$2 MM (AG)	Redhawk Mining, LLC
Excess Liability	$20 MM	Redhawk Mining, LLC
Pollution	$15 MM	Redhawk Mining, LLC
Workers Comp	$1 MM	Redhawk Mining, LLC
Inland Marine/Property	As scheduled in policies	Redhawk Mining, LLC
Automobile	$1 MM	Redhawk Mining, LLC
General Liability	$2 MM (AG)	Pine Branch Mining, LLC
Excess Liability	$20 MM	Pine Branch Mining, LLC
Pollution	$15 MM	Pine Branch Mining, LLC
Workers Comp	$1 MM	Pine Branch Mining, LLC
Inland Marine/Property	As scheduled in policies	Pine Branch Mining, LLC
Automobile	$1 MM	Pine Branch Mining, LLC
EPL/ D&O/ Fiduciary/ Crime	$1 MM	JMP Coal Holdings, LLC (covers Blackhawk Mining, LLC, Redhawk Mining, LLC & Pine Branch Mining, LLC)

Insurance must be purchased from a financially secure insurer that maintains a Best Rating of A-, VII or comparable rating by valid/recognized rating agency.

Liability policies must be purchased with "occurrence" coverage, when possible. If "claims made" coverage is purchased, then the "reporting" endorsement must be purchased at policy expiration/termination.

The Company may elect to self-fund in lieu of purchasing insurance if (1) it meets the financial criteria established by the appropriate regulators, and (2) obtains the approval of the Members.

The Chief Executive Officer may choose to increase limits to purchase by the Company if he deems it appropriate given the size of the Company and/or type of exposure.

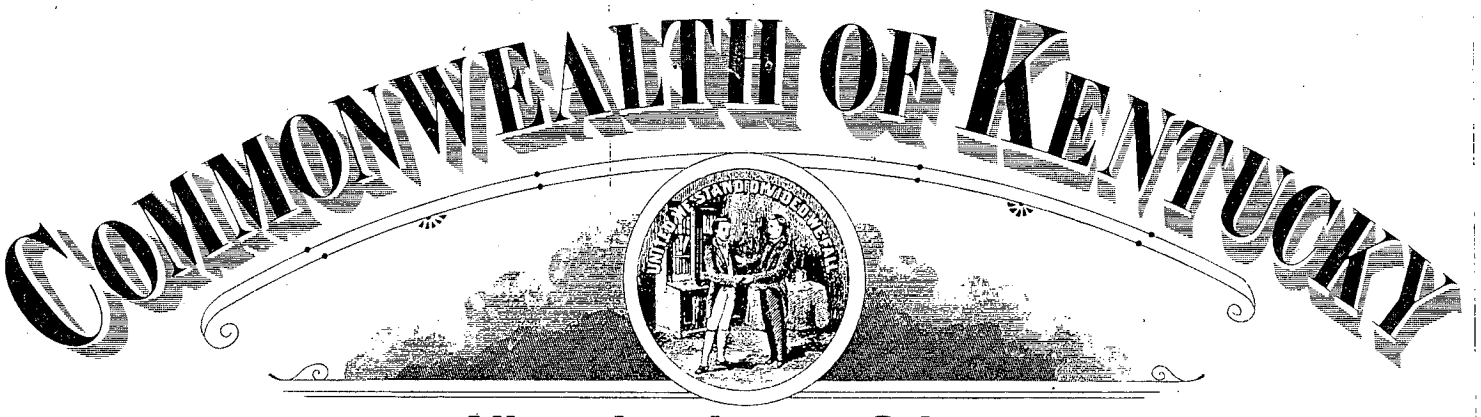
Promptly following the Effective Date, the Company shall undertake, in consultation with the Company's insurance providers or such other potential insurance providers as the Board deems appropriate, an analysis of the feasibility and cost of increasing the following insurance policies maintained by the Company and its subsidiaries to the following coverage limits:

- Excess liability: increase coverage limits to between $100 million and $125 million in the aggregate for the Company, Redhawk Mining LLC and Pine Branch Mining LLC

- Pollution: increase coverage limits to $50 million for each of the Company, Redhawk Mining LLC and Pine Branch Mining LLC (for a total of $150 million in coverage). The Company will also consider costs and benefits of combining these limits into one policy covering all mines.

- EPO/D&O/Fiduciary/Crime: increase coverage limit to $10 million in a single policy to cover the Company, Redhawk Mining LLC and Pine Branch Mining LLC.

If the Board determines that it is commercially reasonable to increase any or all of the coverage limits maintained by the Company and its subsidiaries to the levels as set forth above, the Company shall obtain such additional insurance coverage from third party insurance providers as soon as reasonably practicable thereafter (but in any event within six months of the Effective Date). Upon any such increase in coverage, Exhibit D shall be amended accordingly to reflect such higher coverage levels to be maintained by the Company.



Alison Lundergan Grimes
Secretary of State

Certificate

I, Alison Lundergan Grimes, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

RESERVATION OR RENEWAL OF RESERVED NAME OF

BLACKHAWK MINING LLC FILED APRIL 23, 2010;

ARTICLES OF ORGANIZATION OF BLACKHAWK MINING LLC FILED MAY 3, 2010;

STATEMENT OF CHANGE OF REGISTERED OFFICE, REGISTERED AGENT, OR BOTH FILED JULY 16, 2010;

ANNUAL REPORT FOR THE YEAR 2011;

STATEMENT OF CHANGE OF PRINCIPAL OFFICE ADDRESS FILED JUNE 6, 2011;

ANNUAL REPORT FOR THE YEAR 2012;

STATEMENT OF CHANGE PRINCIPAL OFFICE ADDRESS FILED JUNE 7, 2012;

STATEMENT OF CHANGE OF REGISTERED OFFICE, REGISTERED AGENT, OR BOTH FILED JUNE 7, 2012;

COMMONWEALTH OF KENTUCKY

ANNUAL REPORT FOR THE YEAR 2013;

ANNUAL REPORT FOR THE YEAR 2014;

ANNUAL REPORT FOR THE YEAR 2015;

STATEMENT OF CHANGE OF REGISTERED OFFICE, REGISTERED AGENT, OR BOTH FILED JULY 23, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 25th day of August, 2015.

COMMONWEALTH OF KENTUCKY
OFFICE OF SECRETARY OF STATE

Alison Lundergan Grimes

Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
mmoore/0761631 - Certificate ID: 167450

0761631.02 dcornish
ADD
Trey Grayson, Secretary of State
Received and Filed:
4/23/2010 1:29 PM
Fee Receipt: $15.00

COMMONWEALTH OF KENTUCKY
TREY GRAYSON, SECRETARY OF STATE

Division of Corporations
Business Filings
PO Box 718
Frankfort, KY 40602
(502) 564-3490
www.sos.ky.gov

Reservation or Renewal of Reserved Name (Domestic or Foreign Entity)

ARN

Pursuant to the provisions of KRS 271B, 273, 274, 275 or 362, the undersigned applies to reserve or renew a name and, for that purpose, submits the following statement:

1. The activity request is:

- [x] Reservation
- [ ] Renewal

2. The proposed name to be reserved or renewed with the Secretary of State for a period of 120 days is

Blackhawk Mining, LLC

3. The name is reserved as:

- [ ] A corporate name (KRS 271B, KRS 273 or KRS 274)
- [x] A limited liability company name (KRS 275)
- [ ] A limited partnership name (KRS 362)
- [ ] A limited liability partnership name (KRS 362)

4. The name and mailing address of the applicant is:

250 West Main Street, Suite 2700	Lexington	KY	40507
Street Address or Post Office Box Numbers	**City**	**State**	**Zip**

I declare under penalty of perjury under the laws of Kentucky that the forgoing is true and correct.

Audrey Blevins	FBT LLC Lexington by Audrey Blevins	Manager	4/23/2010
Signature of Applicant	**Printed Name**	**Title**	**Date**

(09/09)

0761631.06 mstratton
ADD
Trey Grayson, Secretary of State
Received and Filed:
5/3/2010 3:14 PM
Fee Receipt: $40.00

ARTICLES OF ORGANIZATION

OF

BLACKHAWK MINING LLC

The undersigned person forms a Kentucky limited liability company pursuant to the Kentucky Limited Liability Company Act, KRS Chapter 275, as follows:

1. The name of the limited liability company (the "Company") shall be Blackhawk Mining LLC.

2. The street address of the Company's initial registered office in Kentucky shall be 250 West Main Street, Suite 2700, Lexington, Kentucky 40507. The name of the Company's initial registered agent at the office shall be FBT LLC Lexington.

3. The mailing address of the initial principal office of the Company shall be P.O. Box 1000, Robinson Creek, Kentucky 41560.

4. The Company is to be managed by a Manager.

5. The Company does not have a specific date of dissolution. The Company shall dissolve as provided in the Kentucky Limited Liability Company Act and the Company's operating agreement.

Rebecca Mayton

Rebecca B. Mayton, Esq./ Organizer

Please return to:
Rebecca B. Mayton
Frost Brown Todd LLC
250 W. Main Street, Suite 2800
Lexington, KY 40507

CONSENT TO SERVE

The undersigned hereby consents to act as the initial registered agent on behalf of Blackhawk Mining LLC, as contemplated by the above Articles of Organization.

FBT LLC Lexington

By: _____
Manager

7/16/2010
0761631

Commonwealth of Kentucky
Trey Grayson, Secretary of State

L905
0761631
Trey Grayson
Secretary of State
Received and Filed
7/16/2010 10:23:17 AM
Fee receipt: $10.00

Trey Grayson
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Statement of Change of Registered Office, Registered Agent, or Both

RAC

Pursuant to the provisions of KRS chapters 271B, 273, 275, or 362, the undersigned hereby applies to change the registered office, registered agent, or both on behalf of

BLACKHAWK MINING, LLC

which is organized in the state of Kentucky, and for that purpose submits the following statements:

1. Name of current registered office

FBT LLC LEXINGTON

2. Registered agent is hereby changed to:

Elbert Foley

3. Address of current registered office

250 WEST MAIN STREET
SUITE 2700
LEXINGTON, KY 40507

4. Registered office is hereby changed to:

4189 Collins Highway
Pikeville, KY 41501

5. Signature of officer or chairman of the board

Elbert Foley, Secretary
Signature and Title

Type or print name and title

7/16/2010 10:23 AM
Date

6. Consent of new agent

I consent to serve as the new registered agent on behalf of this corporation.

Elbert Foley
Signature and Title

Type or print name and title

LARP
0761631
Elaine N. Walker
Secretary of State
Received and Filed
6/6/2011 11:31:49 AM
Fee receipt: $15.00

Commonwealth of Kentucky
Elaine N. Walker, Secretary of Sta

Elaine N. Walker
Secretary of State
P. O. Box 1150
Frankfort, KY 40602-1150
(502) 564-3490
http://www.sos.ky.gov

Annual Report
Online Filing

ARP

Company: BLACKHAWK MINING, LLC
Company ID: 0761631
State of origin: Kentucky
Formation date: 5/3/2010 12:00:00 AM
Date filed: 6/6/2011 11:31:49 AM
Fee: $15.00

Principal Office

P.O. BOX 1200
ROBINSON CREEK, KY 41560

Registered Agent Name/Address

ELBERT FOLEY
4189 COLLINS HIGHWAY
PIKEVILLE, KY 41501

Members/Managers

Manager	John M Potter	PO Box 1200, Robinson Creek, KY 41560

Signatures

Signature John M Potter
Title Manager

Commonwealth of Kentucky
Elaine N. Walker, Secretary of Sta

L906
0761631
Elaine N. Walker
Secretary of State
Received and Filed
6/6/2011 11:19:06 AM
Fee receipt: $10.00

Elaine N. Walker
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Statement of Change of Principal Office Address

POC

Pursuant to the provisions of KRS chapters 271B, 273, 275, or 362, the undersigned hereby applies to change the principal office on behalf of

BLACKHAWK MINING, LLC

which is organized in the state of Kentucky, and for that purpose submits the following statements:

1. Address of current principal office	2. Principal office is hereby changed to:
P.O. BOX 1000 ROBINSON CREEK , KY 41560	P.O. BOX 1200 ROBINSON CREEK, KY 41560

3. Signature of officer or chairman of the board

Elbert Foley, Secretary
Signature and Title

Type or print name and title

6/6/2011 11:19 AM
Date

LARP
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
6/7/2012 4:35:14 PM
Fee receipt: $15.00

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

Alison Lundergan Grimes
Secretary of State
P. O. Box 1150
Frankfort, KY 40602-1150
(502) 564-3490
http://www.sos.ky.gov

Annual Report
Online Filing

ARP

Company: BLACKHAWK MINING, LLC
Company ID: 0761631
State of origin: Kentucky
Formation date: 5/3/2010 12:00:00 AM
Date filed: 6/7/2012 4:35:14 PM
Fee: $15.00

Principal Office
3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Registered Agent Name/Address
ELBERT FOLEY
3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Members/Managers

Manager	John M Potter	PO Box 1200, Robinson Creek, KY 41560

Signatures
Signature Elbert Foley
Title Secretary

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

L906
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
6/7/2012 4:29:04 PM
Fee receipt: $10.00

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Statement of Change of Principal Office Address

POC

Pursuant to the provisions of KRS chapters 271B, 273, 275, or 362, the undersigned hereby applies to change the principal office on behalf of

BLACKHAWK MINING, LLC

which is organized in the state of Kentucky, and for that purpose submits the following statements:

1. Address of current principal office	2. Principal office is hereby changed to:
P.O. BOX 1200 ROBINSON CREEK, KY 41560	3228 Summit Square Place, Suite 180 Lexington, KY 40509

3. Signature of officer or chairman of the board

Elbert Foley, Secretary
Signature and Title

Type or print name and title

6/7/2012 4:29 PM
Date

6/7/2012
0761631

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

L905
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
6/7/2012 4:33:19 PM
Fee receipt: $10.00

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Statement of Change of Registered Office, Registered Agent, or Both

RAC

Pursuant to the provisions of KRS chapters 271B, 273, 275, or 362, the undersigned hereby applies to change the registered office, registered agent, or both on behalf of

BLACKHAWK MINING, LLC

which is organized in the state of Kentucky, and for that purpose submits the following statements:

1. Name of current registered agent	2. Registered agent is hereby changed to:
ELBERT FOLEY	ELBERT FOLEY

3. Address of current registered office	4. Registered office is hereby changed to:
4189 COLLINS HIGHWAY PIKEVILLE, KY 41501	3228 SUMMIT SQUARE PLACE, SUITE 180 LEXINGTON, KY 40509

5. Signature of officer or chairman of the board	6. Consent of new agent
Elbert Foley, Secretary Signature and Title	I consent to serve as the new registered agent on behalf of this corporation. Elbert Foley Signature and Title
Type or print name and title	Type or print name and title
6/7/2012 4:33 PM Date	

LARP
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
6/21/2013 1:52:51 PM
Fee receipt: $15.00

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

Alison Lundergan Grimes
Secretary of State
P. O. Box 1150
Frankfort, KY 40602-1150
(502) 564-3490
http://www.sos.ky.gov

Annual Report
Online Filing

ARP

Company: BLACKHAWK MINING LLC
Company ID: 0761631
State of origin: Kentucky
Formation date: 5/3/2010 12:00:00 AM
Date filed: 6/21/2013 1:52:51 PM
Fee: $15.00

Principal Office

3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Registered Agent Name/Address

ELBERT FOLEY
3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Members/Managers

Manager	John M Potter	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Nicholas R Glancy	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Daniel J Moon	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Eric Shaw	3228 Summit Sq Place, Suite 180, Lexington, KY 40509

Signatures

Signature John M Potter
Title CEO

LARP
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
3/14/2014 9:12:21 AM
Fee receipt: $15.00

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

Alison Lundergan Grimes
Secretary of State
P. O. Box 1150
Frankfort, KY 40602-1150
(502) 564-3490
http://www.sos.ky.gov

Annual Report
Online Filing

ARP

Company: BLACKHAWK MINING LLC
Company ID: 0761631
State of origin: Kentucky
Formation date: 5/3/2010 12:00:00 AM
Date filed: 3/14/2014 9:12:21 AM
Fee: $15.00

Principal Office

3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Registered Agent Name/Address

ELBERT FOLEY
3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Members/Managers

Manager	John M Potter	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Nicholas R Glancy	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Daniel J Moon	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Eric Shaw	3228 Summit Sq Place, Suite 180, Lexington, KY 40509

Signatures

Signature Elizabeth Nicholas
Title Attorney

LARP
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
3/10/2015 2:22:10 PM
Fee receipt: $15.00

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

Alison Lundergan Grimes
Secretary of State
P. O. Box 1150
Frankfort, KY 40602-1150
(502) 564-3490
http://www.sos.ky.gov

Annual Report
Online Filing

ARP

Company: BLACKHAWK MINING LLC
Company ID: 0761631
State of origin: Kentucky
Formation date: 5/3/2010 12:00:00 AM
Date filed: 3/10/2015 2:22:10 PM
Fee: $15.00

Principal Office

3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Registered Agent Name/Address

ELBERT FOLEY
3228 SUMMIT SQUARE PLACE, SUITE 180
LEXINGTON, KY 40509

Members/Managers

Manager	John M Potter	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Nicholas R Glancy	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Daniel J Moon	3228 Summit Sq Place, Suite 180, Lexington, KY 40509
Manager	Eric Shaw	3228 Summit Sq Place, Suite 180, Lexington, KY 40509

Signatures

Signature John M Potter
Title CEO

7/23/2015
0761631

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary o

L905
0761631
Alison Lundergan Grimes
KY Secretary of State
Received and Filed
7/23/2015 2:51:09 PM
Fee receipt: $10.00

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Statement of Change of Registered Office, Registered Agent, or Both

RAC

Pursuant to the provisions of KRS chapters 271B, 273, 275, or 362, the undersigned hereby applies to change the registered office, registered agent, or both on behalf of

BLACKHAWK MINING LLC

which is organized in the state of Kentucky, and for that purpose submits the following statements:

1. Name of current registered agent	2. Registered agent is hereby changed to:
ELBERT FOLEY	ELIZABETH NICHOLAS

3. Address of current registered office	4. Registered office is hereby changed to:
3228 SUMMIT SQUARE PLACE, SUITE 180 LEXINGTON, KY 40509	3228 SUMMIT SQUARE PLACE, SUITE 180 LEXINGTON, KY 40509

5. Signature of officer or chairman of the board	6. Consent of new agent
JOHN M. POTTER, CEO Signature and Title Type or print name and title 7/23/2015 2:51 PM Date	I consent to serve as the new registered agent on behalf of this corporation. ELIZABETH NICHOLAS Signature and Title Type or print name and title

EXHIBIT C

Amended Combined Company New ABL Term Sheet

L&W Draft 10/08/2015
Subject to FRE 408

BLACKHAWK MINING LLC
$100.0 MILLION ASSET-BASED REVOLVING CREDIT FACILITY
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Set forth below is a summary of the principal terms and conditions for the Revolving Credit Facility (as defined below). This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the Revolving Credit Facility (the "***Revolving Credit Documentation***"). Further, as the Revolving Credit Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the Revolving Credit Documentation for the final terms of the Revolving Credit Facility.

Borrower:	Blackhawk Mining LLC, a Kentucky limited liability company (the "***Borrower***").
Administrative Agent, Collateral Agent, Swingline Lender and Issuing Bank:	Deutsche Bank AG New York Branch ("***DBNY***") will act as sole administrative agent and collateral agent (in such capacities, the "***Administrative Agent***"), issuing bank ("***Issuing Bank***") and swingline lender ("***Swingline Lender***"), and will perform the duties customarily associated with such roles.
Sole Lead Arranger and Book-Running Manager:	Deutsche Bank Securities Inc. ("***DBSI***" or the "***Arranger***") will act as sole lead arranger and sole book-running manager for the Revolving Credit Facility, and will perform the duties customarily associated with such roles.
Lenders:	A syndicate of banks, financial institutions and other entities arranged by DBSI and reasonably acceptable to the Borrower (collectively, the "***Lenders***").
Type and Amount of Facility:	A revolving facility (the "***Revolving Credit Facility***") in an aggregate principal amount of up to $100.0 million, subject to Availability (as defined below) during the period from the Closing Date (as defined below) through the Maturity Date, on terms and conditions to be set forth in the Revolving Credit Documentation.
Available Currency:	The Revolving Credit Facility will be available in U.S. dollars only.
Purpose:	Concurrently with the entry into the Revolving Credit Facility, the Borrower will (A) acquire certain reserves, equipment and other assets from Patriot Coal Corporation and/or its subsidiaries (collectively, "***Patriot***"), (B) enter into a senior secured first lien term loan facility with (i) at the Borrower's option, term loan tranche or tranches in the aggregate principal amount of up to $401.2 million (the "***First Lien Term Loan Facility***") and (ii) a

term loan tranche in the aggregate principal amount of $115 million (the "***1.5 Lien Term Loan Facility***" and together with the First Lien Term Loan Facility, the "***First Lien Facilities***"), which will be payment subordinated to the First Lien Term Loan Facility and (C) enter into a senior secured second lien term loan facility in the aggregate principal amount of up to $229,238,375.55 (the "***Second Lien Term Loan Facility***"), in each case of clauses (B) and (C), the proceeds of which will be used as provided in the Asset Purchase Agreement, dated as of June 22, 2015 among the Borrower, Patriot Coal Corporation and the other parties thereto, as may be amended, amended and restated or otherwise modified from time to time. Following the Closing Date, the Revolving Credit Facility will be used by Borrower and its subsidiaries for working capital and general corporate purposes. A portion of the Revolving Facility may be used on the Closing Date to (i) refinance the Borrower's existing ABL Letter of Credit Agreement, (ii) refinance certain other existing indebtedness of the Borrower and (iii) to pay costs, fees and expenses incurred in connection with the foregoing. Additionally, letters of credit may be issued on the Closing Date in order to, among other things, backstop or replace letters of credit outstanding on the Closing Date (including by "grandfathering" such existing letters of credit in the Revolving Credit Facility) under facilities no longer available to the Borrower or its subsidiaries as of the Closing Date.

Maturity Date: The earlier of (i) the fourth anniversary of the Closing Date or (ii) 120 days prior to the maturity of any Material Indebtedness (to be defined in the Revolving Credit Documentation) (such earlier date, the "***Maturity Date***").

Availability: Upon satisfaction or waiver of conditions precedent to drawing to be specified in the Revolving Credit Documentation, borrowings may be made at any time on or after the Closing Date to but excluding the business day preceding the Maturity Date. Availability under the Revolving Credit Facility (the "***Availability***") will be equal to the lesser of (1) the Borrowing Base (as defined below) and (2) the then effective commitments under the Revolving Credit Facility.

"***Borrowing Base***" shall mean the sum of:

(1) 85% of Eligible Accounts (to be defined in the Revolving Credit Documentation in a manner consistent with the existing ABL Letter of Credit Agreement),

plus

(2) the *lesser* of (a) 75% of the lesser of cost or fair market value of the Eligible Inventory (to be defined in the Revolving Credit Documentation in a manner consistent with the

existing ABL Letter of Credit Agreement) or (b) 85% of the net orderly liquidation value of Eligible Inventory,

plus

(3) the amount of all cash and cash equivalents of the Borrower and the Guarantors from time to time on deposit in an account subject to a lien and account control agreement in favor of the Administrative Agent for the benefit of the Secured Parties (to be defined in the Revolving Credit Documentation); provided that (i) the Borrower may withdraw such cash and cash equivalents from the account to the extent there is sufficient Excess Availability after giving effect to such withdrawals and (ii) to the extent any such cash or cash equivalents are not held in an account at the Administrative Agent, the Administrative Agent may verify the amount of such cash or cash equivalents in such account in its Permitted Discretion,

minus

(4) appropriate reserves determined by the Administrative Agent from time to time in its Permitted Discretion (to be defined in the Revolving Credit Documentation in a manner consistent with the existing ABL Letter of Credit Agreement) based upon, but not limited to, the results of field examinations and audits to be performed by the Administrative Agent and third party appraisals of the inventory.

"***Excess Availability***" shall mean, at any time, an amount equal to (1) the then effective Availability, minus (2) the aggregate revolving loans and participations in letters of credit and swingline loans then outstanding under the Revolving Credit Facility.

"***Specified Excess Availability***" shall mean, at any time, an amount equal to (1) the then effective Excess Availability, plus (2) the then effective Suppressed Availability.

"***Suppressed Availability***" shall mean, at any time, an amount equal to, if more than zero, (1) the Borrowing Base in effect at such time, minus (2) the aggregate then effective commitments under the Revolving Credit Facility.

The eligibility and reserve criteria to be utilized in the calculation of the Borrowing Base shall be determined in the Permitted Discretion of the Administrative Agent based upon periodic inventory appraisals, collateral examinations and other reasonable criteria.

The Borrowing Base shall be computed (and the Borrower shall be required to deliver a borrowing base certificate) on a monthly basis; provided that, if either (x) a default or an event of default has occurred and is continuing under the Revolving Credit Documentation, or (y) if Specified Excess Availability is less than the greater of (a) 20.0% of the lesser of (I) the aggregate commitments in respect of the Revolving Credit Facility and (II) the Borrowing Base (such lesser amount, the "***Line Cap***") and (b) $12.5 million, then the Borrowing Base shall be computed (and the Borrower shall be required to deliver a borrowing base certificate) on a weekly basis until the date on which, as applicable, in the case of clause (x), such default or event of default is cured or waived, or in the case of clause (y), Specified Excess Availability has been at least the greater of 20.0% of the Line Cap and $12.5 million for at least 30 consecutive calendar days.

Letters of Credit: Up to $80.0 million of the Revolving Credit Facility will be available for letters of credit, which may be issued from and after the Closing Date until the 30th day prior to the Maturity Date, on customary terms and conditions to be set forth in the Revolving Credit Documentation. Each letter of credit shall expire not later than the earlier of (i) 12 months after its date of issuance and (ii) the fifth business day prior to the Maturity Date (the date specified in this clause (ii), the "***Letter of Credit Expiration Date***"); provided that, subject to the terms of the Revolving Credit Documentation, a letter of credit may provide that it shall automatically renew for additional periods of up to one year (but in any event not beyond the Letter of Credit Expiration Date).

Drawings under any letter of credit shall be reimbursed by Borrower on the same business day or, if notice is given later than a customary time to be agreed, within one business day following the date of such drawing. To the extent that Borrower does not reimburse the Issuing Bank on the same business day, the Lenders under the Revolving Credit Facility shall be irrevocably obligated to reimburse the Issuing Bank *pro rata* based upon their respective commitments.

The issuance of all letters of credit shall be subject to the customary procedures of the Issuing Bank.

Letters of credit may be issued on the Closing Date in order to backstop or replace letters of credit outstanding on the Closing Date under facilities being refinanced with the proceeds of the Revolving Credit Facility (and such existing letters of credit shall be deemed letters of credit outstanding under the Revolving Credit Facility).

Swingline Facility: Up to $5.0 million of the Revolving Credit Facility will be available for swingline borrowings from the Swingline Lender, on terms and conditions to be set forth in the Revolving Credit Documentation.

Except for purposes of calculating the commitment fee described below, any swingline borrowings will reduce availability under the Revolving Credit Facility on a dollar-for-dollar basis.

Amortization: None.

Incremental Facilities: The Borrower may from time to time after the Closing Date solicit (at its option) existing and/or prospective Lenders to provide incremental commitments consisting of increases to the Revolving Credit Facility in minimum amounts of $1.0 million and up to a maximum aggregate principal amount for all such increases of $50.0 million (each an "***Incremental Facility***"). Any Incremental Facility shall become effective upon satisfaction of conditions to be agreed at the time with the Administrative Agent and the lenders providing commitments thereunder; provided that (i) no default or event of default exists or would exist after giving effect thereto, except in the case of an Incremental Facility incurred to finance a permitted acquisition or other permitted investment where no payment or bankruptcy event of default will be the standard, (ii) all of the representations and warranties contained in the Revolving Credit Documentation shall be true and correct in all material respects (or, in all respects, if qualified by materiality), (except where customary "Sungard" or "certain funds" conditionality is otherwise agreed to by the lenders providing such Incremental Facility, in which cash such limited conditionality shall apply), (iii) any such Incremental Facility shall benefit from the same guarantees as, and be secured on a pari passu basis by the same Collateral (as defined below) securing, the Revolving Credit Facility and (iv) the Borrower is in pro forma compliance with the Financial Covenant (as defined below) as of the most recently ended fiscal quarter for which financial statements are available (determined after giving effect to the full utilization of the commitments provided under such Incremental Facility). The terms applicable to such Incremental Facility (other than fees) shall be the same as for the Revolving Credit Facility. Fees applicable to the Incremental Facility shall be agreed upon by Borrower, the Administrative Agent and the lenders providing such Incremental Facility.

Any Lender providing any Incremental Facility shall be subject to the consent of the Borrower and, to the extent such consent would be required with respect to an assignment to such lender, the Administrative Agent and Issuing Bank (such consents not to be unreasonably withheld or delayed). Existing Lenders or other Persons may, but shall not be obligated to, without their prior

written consent, provide a commitment to any Incremental Facility, and nothing contained in this term sheet constitutes, or shall be deemed to constitute, a commitment with respect to any Incremental Facility. The Revolving Credit Facility will permit the Borrower and the Administrative Agent, on behalf of each Lender, to enter into any amendment to the Revolving Credit Facility required to incorporate the provisions of each Incremental Facility made available after the Closing Date, so long as the purpose of such amendment is solely to incorporate the appropriate provisions for such Incremental Facility in the Revolving Credit Facility.

Interest: At Borrower's option, loans will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option

Interest will be at the Base Rate plus the applicable Interest Margin, calculated on the basis of the actual number of days elapsed in a 365/366-day year and payable quarterly in arrears. The "***Base Rate***" is defined as the highest of (i) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 0.50%, (ii) the prime commercial lending rate of the Administrative Agent, as established from time to time and (iii) LIBOR for an interest period of one month plus 1.00%.

Base Rate borrowings will require one business day's prior notice and will be in minimum amounts to be agreed upon.

B. LIBOR Option

Interest will be determined for periods ("***Interest Periods***") of one, two, three or six months (or twelve months or less than one month if available from all relevant Lenders) (as selected by Borrower) and will be at an annual rate equal to the London Interbank Offered Rate ("***LIBOR***") for the corresponding deposits of U.S. dollars, plus the applicable Interest Margin. LIBOR will be determined by the Administrative Agent at the start of each Interest Period and will be fixed through such period. Interest will be paid at the end of each Interest Period or, in the case of Interest Periods longer than three months, quarterly, and will be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR will be adjusted for maximum statutory reserve requirements (if any) and shall not be deemed to be less than zero percent (0%) at any time.

LIBOR borrowings will require three business days' prior notice and will be in minimum amounts to be agreed upon.

The applicable interest margin (the "***Interest Margin***") will initially be 3.25% for LIBOR Loans and 2.25% for Base Rate Loans.

From and after the first full fiscal quarter after the Closing Date, the Interest Margin shall be as set forth below, based on the average Excess Availability as a percentage of the Line Cap for the prior fiscal quarter:

Average Excess Availability as a Percentage of the Line Cap	**LIBOR Loans**	**Base Rate Loans**
Less than or equal to 33.3%	3.50%	2.50%
Greater than 33.3% and less than 66.6%	3.25%	2.25%
Greater than or equal to 66.6%	3.00%	2.00%

Default Interest and Fees: Overdue principal, overdue interest and other overdue amounts shall bear interest at a rate per annum equal to (i) in the case of principal and interest, the rate which is 2% in excess of the rate then borne by the applicable borrowing and (ii) in the case of other amounts, the rate which is 2% in excess of the rate otherwise applicable to Base Rate Loans from time to time. Such interest shall be payable on demand.

Commitment Fee: A commitment fee shall accrue on the unused amounts of the commitments under the Revolving Credit Facility (with revolving borrowings (other than Swingline borrowings) and issued letters of credit constituting utilization) at a rate of 0.375% per annum. Accrued commitment fees will be payable quarterly in arrears (calculated on a 360-day basis) for the account of the Lenders from the Closing Date.

Letter of Credit Fees: Borrower will pay to the Administrative Agent for the account of the Lenders a letter of credit fee equal to the Interest Margin for LIBOR Loans on the undrawn amount of all outstanding letters of credit. Unpaid drawn amounts shall bear interest at a rate equal to the Base Rate plus the Interest Margin for Base Rate Loans. In addition, Borrower will pay the Issuing Bank a fronting fee in the amount of 0.125% per annum on the undrawn amount of all outstanding letters of credit plus customary issuance, amendment, drawing and transfer fees.

Upfront Fees: Borrower will pay to the Administrative Agent for the account of the Lenders an upfront fee equal to 3.00% of the aggregate commitments in respect of the Revolving Credit Facility as of the Closing Date.

Mandatory Prepayments: If at any time the amounts outstanding pursuant to the Revolving Credit Facility (including outstanding letters of credit and swingline loans) exceed Availability at such time, the Borrower will be required to make a mandatory prepayment in an amount

equal to such excess, to be applied (i) first, to prepayments of loans under the Revolving Credit Facility (without a permanent reduction of the commitments) and (ii) to the extent in excess thereof, to cash collateralize outstanding Letters of Credit.

Voluntary Prepayments: Permitted in whole or in part, with prior notice but without premium or penalty (except LIBOR breakage costs) and including accrued and unpaid interest, subject to limitations as to minimum amounts of prepayments.

Guaranties: Each direct and indirect subsidiary of the Borrower other than: (i) immaterial subsidiaries, (ii) foreign subsidiaries that are controlled foreign corporations ("***CFCs***") and any subsidiaries of such CFCs within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), (iii) any subsidiary that has no material assets other than the equity and/or debt interests of one or more foreign subsidiaries that are CFCs, (iv) unrestricted subsidiaries and (v) other exceptions to be agreed (each, a "***Guarantor***" and, collectively, the "***Guarantors***") shall be required to provide an unconditional guaranty on a joint and several basis (collectively, the "***Guaranties***") of all amounts owing under the Revolving Credit Facility and any interest rate hedging or cash management obligations of the Borrower or its restricted subsidiaries owed to a Lender, the Administrative Agent or their respective affiliates. Such Guaranties shall be guarantees of payment and not of collection.

Security: The Revolving Credit Facility, the Guaranties and any interest rate hedging or cash management obligations of the Borrower or its restricted subsidiaries owed to a Lender, the Administrative Agent or their respective affiliates will be secured by first priority security interests in all of the right, title and interest of the Borrower and the Guarantors in, to and under the following: (i) all accounts receivable (other than intercompany indebtedness of the Borrower and its subsidiaries and accounts receivable which constitute proceeds of Term Collateral); (ii) all inventory; (iii) all as-extracted collateral; (iv) all chattel paper, documents, general intangibles (other than equity interests in the Borrower and its subsidiaries and intellectual property) and commercial tort claims, in each case, evidencing or governing any of the items referred to in the preceding clauses (i) through (iii); (v) all instruments evidencing or governing any of the items referred to in the preceding clauses (i) through (iv); (vi) all supporting obligations and letter-of-credit rights relating to any of the items referred to in the preceding clauses (i) through (v); (vii) all deposit accounts, securities accounts and commodity accounts, other than any such accounts holding solely proceeds of sales of Term Collateral, and, in each case, all cash, checks and other property held therein or credited thereto, but excluding in each case, identifiable proceeds of Term Collateral; (viii) all books

and records pertaining to the foregoing; and (ix) to the extent not otherwise expressly included or excluded in clauses (i) through (vii), all proceeds and products of any and all of the foregoing (collectively, the "***ABL Collateral***").

In addition, the Revolving Credit Facility will be secured by a second priority security interest in all other assets of the Borrower, Guarantors and their respective subsidiaries that secure the First Lien Facilities (the "***Term Collateral***" and, together with the ABL Collateral, the "***Collateral***").

The priority of the security interests in the Collateral and related creditors' rights will be set forth in one or more customary intercreditor agreements (the "***Intercreditor Agreement***") reasonably acceptable to the Administrative Agent, DBNY, as administrative agent and collateral agent under the First Lien Facilities and the Second Lien Term Loan Facility and the Borrower.

Notwithstanding the foregoing, all assets included in the Borrowing Base shall be included in the ABL Collateral.

Conditions Precedent to Initial Borrowings and Issuances: The initial availability of the Revolving Credit Facility will be subject to conditions usual and customary for facilities of this type (the date upon which all such conditions precedent shall be satisfied or waived, the "***Closing Date***").

Conditions to Each Borrowing or Issuance: Conditions precedent to each borrowing or issuance of letters of credit (or increase, renewal or extension thereof) under the Revolving Credit Facility will include only the following: (1) the absence of any continuing default or event of default, (2) the accuracy of all representations and warranties in all material respects, (3) Availability and (4) receipt of a customary borrowing notice or letter of credit request, as applicable.

Representations and Warranties: The Revolving Credit Documentation will contain only the following representations and warranties (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (consistent, where applicable, with the First Lien Facilities): (i) company status, (ii) power and authority, (iii) due authorization, execution and delivery and enforceability, (iv) no violation or conflicts with laws, contracts or charter documents, (v) governmental approvals, (vi) financial statements, financial condition, projections, (vii) absence of material litigation, (viii) true and complete disclosure, (ix) use of proceeds and compliance with margin regulations, (x) tax returns and payments, (xi) ERISA matters, (xii) compliance with law, (xiii) ownership of property, (xiv) creation, validity, perfection and priority of security interests under the Security Documents

(to be defined in the Revolving Credit Documentation), (xv) borrowing base calculations and eligible accounts and eligible inventory, (xvi) ownership of subsidiaries, (xvii) inapplicability of Investment Company Act, (xviii) employment and labor relations, (xix) intellectual property, franchises, licenses, permits, etc., (xx) compliance with environmental laws, (xxi) existing indebtedness, (xxii) maintenance of insurance, (xxiii) Patriot Act/ "know your customer" laws, (xxiv) OFAC/anti-terrorism and sanctions laws and (xxv) flood insurance.

Covenants: The Revolving Credit Documentation will contain only the following covenants (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (consistent, where applicable, with the First Lien Facilities):

Affirmative Covenants: (i) Compliance with laws and regulations (including, without limitation, ERISA and environmental laws); (ii) payment of taxes and other obligations; (iii) maintenance of adequate insurance; (iv) preservation of corporate existence, rights (charter and statutory), franchises, permits, licenses, copyrights, trademarks and patents necessary to the business; (v) visitation and inspection rights; (vi) keeping of proper books in accordance with generally accepted accounting principles; (vii) quarterly conference calls with Lenders; (viii) maintenance of properties; (ix) further assurances as to perfection and priority of security interests and additional guarantors; (x) notice of defaults, material litigation and certain other material events; (xi) financial and other reporting requirements (including, without limitation, unaudited quarterly and audited annual financial statements for the Borrower and its subsidiaries on a consolidated basis (in accordance with US GAAP), in each case with accompanying management discussion and analysis and, in the case of audited annual financial statements, accompanied by an opinion of a nationally recognized accounting firm (which opinion shall not be subject to any qualification as to "going concern" or scope of the audit) and budgets prepared by management of the Borrower and provided on an annual basis); (xii) use of proceeds; (xiii) maintenance of reserves for certain long-term liabilities and environmental matters; (xiv) change in fiscal year and fiscal quarter; (xv) performance of obligations; (xvi) designation of subsidiaries as "unrestricted subsidiaries" or "restricted subsidiaries"; (xvii) field examinations and inventory appraisals as described below; (xix) cash management and dominion requirements as set forth below; and (xx) delivery of borrowing base certificates and appropriate supporting data for such borrowing base certificates as set forth in "Availability" above.

Negative Covenants: Restrictions (with exceptions to be agreed) on (i) liens; (ii) debt (including guaranties and other contingent obligations), with exceptions to include the First Lien Facilities and the Second Lien Term Loan Facility (including any "AHYDO" catchup payments that may be required to be made); (iii) mergers and consolidations; (iv) sales, transfers and other dispositions of property and assets (including sale-leaseback transactions but with exceptions to include (x) sales of inventory in the ordinary course of business and (y) sales of obsolete or worn out assets); (v) loans, acquisitions, joint ventures and other investments; (vi) dividends and other distributions to, and redemptions and repurchases from, equity holders (with exceptions for tax distributions in accordance with the LLC operating agreement of the Borrower, scheduled junior debt payments, expense reimbursements and other customary exceptions to be agreed); (vii) prepaying, redeeming or repurchasing junior lien, unsecured and subordinated debt; (viii) transactions with affiliates; (ix) restrictions on distributions, advances and asset transfers by subsidiaries; (x) issuances of certain equity interests, (xi) changes in the nature of business; (xii) amending organizational documents; (xiv) hedging obligations; (xv) negative pledges; and (xvi) accounting changes.

Financial Covenant. If Specified Excess Availability is less than the greater of (i) 20.0% of the Line Cap and (ii) $12.5 million and until Specified Excess Availability has been at least the greater of (i) 20.0% of the Line Cap and (ii) $12.5 million for 30 consecutive calendar days or (the "***Financial Covenant Period***"), the Borrower shall comply on a quarterly basis with a minimum Fixed Charge Coverage Ratio (to be defined in the Revolving Credit Documentation) of at least 1.00 to 1.00 on a trailing four quarter basis (the "***Financial Covenant***") and tested (i) immediately upon commencement of the Financial Covenant Period based on the most recently completed fiscal quarter for which financial statements were (or were required to have been) delivered and (ii) on the last day of each subsequently completed fiscal quarter of the Borrower until the end of the Financial Covenant Period.

Examinations / Appraisals: The Administrative Agent may conduct up to one (1) field examination and up to one (1) inventory appraisal (each at the expense of the Borrower) during any calendar year; provided that (i) after the date on which Specified Excess Availability has been less than the greater of 25.0% of the Line Cap and $20 million for a period of five consecutive days, field examinations and inventory appraisals may each be conducted (at the expense of the Borrower) two (2) times during the following 12 month period unless Specified Excess Availability shall have been at least the greater of 25.0% and $20 million for 30 consecutive days; provided that the Administrative Agent shall be entitled to complete any field exam or inventory appraisal for which it has

begun planning or conducting regardless of whether Specified Excess Availability has been at or above such threshold for a period of at least 30 consecutive days or (ii) at any time during the continuation of a default or event of default, field examinations and inventory appraisals may be conducted (at the expense of the Borrower) as frequently as requested by the Administrative Agent (but, in any event, not more than four times per year).

Cash Management/Dominion: The Revolving Credit Documentation will require that all amounts received by the Borrower or any Guarantor in respect of accounts receivable, in addition to all other cash received from any other source, shall upon receipt be deposited into an account with a bank approved by the Administrative Agent (provided that 1st Trust Bank and Fifth Third Bank are deemed to be approved) that is subject to a control agreement in favor of the Administrative Agent. All accounts maintained by the Borrower and the Guarantors (other than certain excluded accounts to be set forth in the Revolving Credit Documentation) shall be subject to control agreements in favor of the Administrative Agent. Upon and during the continuance of an Event of Default or for the period from the date (if any) that Specified Excess Availability shall have been less than the greater of (a) 20.0% of the Line Cap and (b) $12.5 million for 3 consecutive business days to the date Specified Excess Availability shall have been at least the greater of (i) 20.0% of the Line Cap and (ii) $12.5 million for 30 consecutive days, the Borrower will cause all amounts on deposit in any pledged account to be transferred into an account controlled by and maintained with the Administrative Agent no less frequently than once per business day, and amounts on deposit in such account will be applied on a daily basis by the Administrative Agent, if necessary, to repay borrowings and/or, solely to the extent a default or event of default is continuing, cash collateralize outstanding Letters of Credit, with any remaining amounts being returned to the Borrower.

Unrestricted Subsidiaries: The Revolving Credit Documentation will contain provisions pursuant to which, subject to no default or event of default, limitations on investments and other conditions to be set forth in the Revolving Credit Documentation, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary; provided that no subsidiary may be designated as an unrestricted subsidiary if such subsidiary owns or operates Core Mining Property (to be defined in the Revolving Credit Documentation). The designation of any subsidiary as an "unrestricted" subsidiary shall constitute an investment for purposes of the investment covenant in the Revolving Credit Documentation, and the designation of any

unrestricted subsidiary as a restricted subsidiary shall be deemed to be an incurrence of indebtedness and liens by a restricted subsidiary of any outstanding indebtedness or liens, as applicable, of such unrestricted subsidiary for purposes of the Revolving Credit Documentation. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenants or events of default provisions of the Revolving Credit Documentation, and the cash held by, the results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with the Financial Covenant or any financial tests contained in such Revolving Credit Documentation.

Events of Default: The Revolving Credit Documentation will include only the following Events of Default (to be applicable to the Borrower and its restricted subsidiaries) with certain customary exceptions, qualifications and grace periods to be set forth therein (consistent, where applicable, with the First Lien Facilities): (i) nonpayment of principal when due or interest, fees or other amounts after a grace period set forth in the Revolving Credit Documentation; (ii) failure to perform or observe covenants set forth in Revolving Credit Facility, subject (where customary and appropriate) to notice and an appropriate grace period; (iii) any representation or warranty proving to have been incorrect in any material respect (or, in any respect, if qualified by materiality) when made or confirmed; (iv) cross-defaults and cross-acceleration to other indebtedness in an amount to be set forth in the Revolving Credit Documentation; (v) bankruptcy, insolvency proceedings, etc. (with a customary grace period for involuntary proceedings); (vi) inability to pay debts, attachment, etc.; (vii) monetary judgment defaults in an amount to be set forth in the Revolving Credit Documentation; (viii) customary ERISA defaults; (ix) actual invalidity of the security documentation or the Guaranties or impairment of security interests in the Collateral; (x) Change of Control (to be defined in the Revolving Credit Documentation) and (xi) Intercreditor Agreement ceasing to be in full force and effect other than in accordance with its terms.

Assignments and Participations: Each Lender may assign all or, subject to minimum amounts set forth in the Revolving Credit Documentation, a portion of its loans and commitments under the Revolving Credit Facility. Assignments will require payment of an administrative fee to the Administrative Agent and the consent of the Administrative Agent, the Issuing Bank, the Swingline Lender and Borrower, which consents shall not be unreasonably withheld; provided that (i) no consents shall be required for an assignment to an existing Lender or an affiliate or "approved fund" of an existing Lender and (ii) no consent of Borrower shall be required during a default or event of default. In addition, each Lender may sell

participations in all or a portion of its loans and commitments under the Revolving Credit Facility; provided that no purchaser of a participation shall have the right to exercise or to cause the selling Lender to exercise voting rights in respect of the Revolving Credit Facility (except as to certain basic issues).

Expenses and Indemnification: The Revolving Credit Documentation will contain customary and appropriate provisions relating to indemnity, reimbursement, exculpation and other related matters.

Defaulting Lender: The Revolving Credit Documentation shall contain customary defaulting lender provisions.

Yield Protection and Taxes: The Revolving Credit Facility shall include customary protective provisions for such matters as capital adequacy, increased costs, reserves, funding losses, illegality and withholding taxes.

Requisite Lenders: Amendments, modifications and waivers of the Revolving Credit Documentation will require the consent of Lenders holding at least a majority of total loans and commitments under the Revolving Credit Facility (the "***Required Lenders***"), with certain amendments with respect to the Borrowing Base requiring the consent of Lenders holding a supermajority of the total loans and commitments under the Revolving Credit Facility and certain customary amendments requiring the consent of each directly and adversely affected Lender; provided that, if any of the matters described above is agreed to by the Required Lenders (or supermajority lenders), the Borrower shall have the right to either (x) substitute any non-consenting Lender by having its Loans and commitments assigned, at par, to one or more other institutions, subject to the assignment provisions described above, or (y) with the express written consent of the Required Lenders, terminate the commitment of, and repay the obligations owing to, any non-consenting Lender, subject to repayment in full of all obligations of the Borrower owed to such Lender relating to the Loans and participations held by such Lender.

Governing Law and Forum; Submission to Exclusive Jurisdiction: All Revolving Credit Documentation shall be governed by the internal laws of the State of New York (except security documentation that the Administrative Agent determines should be governed by local law). The Borrower and the Guarantors will submit to the exclusive jurisdiction and venue of any New York State court or Federal court sitting in the County of New York, Borough of Manhattan, and appellate courts thereof (except to the extent the Administrative Agent requires submission to any other jurisdiction in connection with the exercise of any rights under any security document or the enforcement of any judgment).

Counsel to the Administrative Agent, Collateral Agent, Swingline Lender, the Issuing Bank and <u>Arranger</u>:	Cahill Gordon & Reindel LLP.

EXHIBIT D

Combined Company First Lien Term Sheet

L&W Draft 10/08/2015
Subject to FRE 408

BLACKHAWK MINING LLC
$401.2 MILLION FIRST LIEN TERM LOAN
$115 MILLION 1.5 LIEN TERM LOAN
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Set forth below is a summary (the "***First Lien Term Sheet***") of the principal terms and conditions for the First Lien Facilities (as defined below) for Blackhawk Mining LLC. This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the First Lien Facilities (the "***First Lien Credit Documentation***"). Further, as the First Lien Credit Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the First Lien Credit Documentation for the final terms of the First Lien Facilities. Capitalized terms not defined herein shall have the meaning attributed to them in the Asset Purchase Agreement (as defined below).

Borrower:	Blackhawk Mining LLC, a Kentucky limited liability company (the "***Borrower***").
First Lien Administrative Agent:	Deutsche Bank AG New York Branch ("***DBNY***") will act as sole administrative agent and collateral agent (in such capacities, the "***First Lien Administrative Agent***") for the first lien lenders under the First Lien Term Loan (the "***First Lien Term Lenders***") and the first lien lenders under the 1.5 Lien Term Loan (the "***1.5 Lien Lenders***" and together with the First Lien Term Lenders, the "***First Lien Lenders***"), and will perform the duties customarily associated with such roles.
Sole Lead Arranger and Book-Running Manager:	Deutsche Bank Securities Inc. will act as sole lead arranger and sole book-running manager for the First Lien Term Loan (as defined below), and will perform the duties customarily associated with such roles.
Amount:[1]	A senior secured first lien term loan facility with (a) at the option of the Borrower, (x)(i) a term loan tranche in an aggregate principal amount of up to $329.8 million (the "***First Lien Tranche B-1 Term Loan***") and (ii) a term loan tranche in an aggregate principal amount of up to $71.4 million (the "***First Lien Tranche B-2 Term Loan***" and together with the First Lien Tranche B-1 Term Loan, the "***First Lien Tranche B Term Loans***")[2] or (y) a term loan tranche in the an aggregate principal amount

[1] **NTD**: All dollar figures assume the transactions contemplated herein are consummated on or before October 1, 2015, (it being understood such figures will be adjusted to account for the consummation of the transactions on October 19, 2015 or such other date as may be agreed).

[2] [Holders of the First Lien Tranche B-2 Term Loans will have the right to exchange their First Lien Tranche B-2 Loans, on the [●] business day of each [●] for a period commencing after 6 months from the issue date of the First Lien Tranche B-2 Loans and ending on [●], for (1) the same outstanding principal amount of First Lien Tranche B-1 Term Loan under a different CUSIP or (2) the same outstanding principal amount of First Lien Tranche B-1 Loans under the same CUSIP; ***provided*** that, in the case of clause (2), the applicable holder can demonstrate to the reasonable satisfaction of the Borrower and the Administrative Agent, exercised in good faith, that the newly issued First Lien Tranche B-1 Loans would

of up to $401.2 million (the "***First Lien Single Tranche Term Loan***" and together the First Lien Tranche B Term Loans, the "***First Lien Term Loan***") and (b) a term loan tranche in the aggregate principal amount of $115.0 million (the "***1.5 Lien Term Loan***" and together with the First Lien Term Loan, the "***First Lien Facilities***"), which will be payment subordinated to the First Lien Term Loan. Holders of the 1.5 Lien Term Loan shall also receive Class B Units representing 35% of the equity interest in Blackhawk Mining LLC.

Use of Proceeds: As provided in the Asset Purchase Agreement, dated as of June 22, 2015 among the Borrower, Patriot Coal Corporation and the other parties thereto (as may be amended, amended and restated or otherwise modified from time to time, the "***Asset Purchase Agreement***"), which will provide for (a) with respect to the First Lien Tranche B-1 Term Loan and the First Lien Single Tranche Term Loan, (i) $114.8 million to satisfy the Existing Patriot DIP Facility and (ii) up to $215.0 million to satisfy other Existing Blackhawk Indebtedness (b) with respect to the First Lien Tranche B-2 Term Loan and the First Lien Single Tranche Term Loan, up to $71.4 million of First Lien Tranche B-2 Term Loan or First Lien Single Tranche Term Loan (together with up to $37.0 million of Second Lien Term Loan) in exchange for $59.6 million in cash, $57.1 million of which shall be used to satisfy Existing Blackhawk Indebtedness of JR Acquisition, LLC and (c) with respect to the 1.5 Lien Term Loan, up to $115.0 million of 1.5 Lien Term Loan in exchange for $80.0 million in cash, of which $32.5 million may be provided to Patriot to fund the wind down of the Patriot estate with the remainder to be used for general working capital of the Borrower and its subsidiaries. The consummation of the $59.6 million investment in the Borrower referenced in clause (b) shall be a condition to the consummation of the other transaction contemplated herein.

Maturity: The maturity date of the First Lien Facilities shall be five (5) years from the closing date (the "***First Lien Maturity Date***").

Amortization: Annual amortization (payable in 4 equal quarterly installments) of the First Lien Facilities shall be required in an amount equal to 1.0% of the initial aggregate principal amount of the First Lien Facilities starting with the first quarter ending in 2017.

Incremental Facilities: The Borrower will have the right to solicit existing Lenders and Additional Lenders (as defined below) to provide incremental commitments consisting of one or more increases to the First Lien Term Loan and/or one or more new tranches of term loans to be made available under the First Lien Credit Documentation (hereinafter the "***Incremental Facilities***") in an aggregate amount not to exceed $50

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be issued in a "qualified reopening" of the existing First Lien Tranche B-1 Loan under Treasury Regulation Section 1.1275-2(k) and, in the case of both clauses (1) and (2), such exchange does not give rise to cancellation of indebtedness income for U.S. federal income tax purposes beyond a de minimis amount on each exchange date, not to exceed [2.00]% of the adjusted issue price of the First Lien Tranche B-2 Loans being exchanged on such date, as reasonably determined by the Borrower acting in good faith.]

million plus the aggregate amount of all voluntary prepayment, repurchases and permanent voluntary commitment reductions of pari passu indebtedness (in each case, other than prepayments, repurchases or commitment reductions made with the proceeds of long term indebtedness not incurred under the Incremental Facilities), on terms agreed by the Borrower, the First Lien Administrative Agent and the lenders providing the respective Incremental Facility; *provided*, that

(a) no default or event of default exists or would exist after giving effect thereto, except in the case of an Incremental Facility incurred to finance a permitted acquisition or other permitted investment where no payment or bankruptcy event of default will be the standard,

(b) all of the representations and warranties contained in the First Lien Credit Documentation shall be true and correct in all material respects (or, in all respects, if qualified by materiality), (except where customary "Sungard" or "certain funds" conditionality is otherwise agreed to by the lenders providing such Incremental Facility, in which case such limited conditionality shall apply),

(c) any such Incremental Facility shall benefit from the same guarantees as, and be secured on a pari passu basis by the same Collateral (as defined below) securing, the First Lien Term Loan,

(d) the Borrower is in pro forma compliance with the Financial Covenant (as defined below) as of the most recently ended fiscal quarter for which financial statements are available (determined after giving effect to the full utilization of the commitments provided under such Incremental Facility), and

(e) unless such Incremental Term Loans are made a part of the First Lien Term Loan (in which case all terms thereof shall be identical to those of the First Lien Term Loan), the loans to be made under an Incremental Facility (each, an "***Incremental Term Loan***") shall be subject to the same terms as the First Lien Term Loan (including voluntary and mandatory prepayment provisions) with such changes as are reasonably satisfactory to the First Lien Administrative Agent, except that,

(i) the interest margins for the Incremental Term Loans shall be determined by the Borrower and the lenders providing such incremental facility; *provided*, that the "effective yield" on the respective Incremental Term Loans issued within 18 months after the closing date (which, for such purposes only, shall be deemed to take account of interest rate benchmark floors, recurring fees and all upfront or similar fees or original issue discount (amortized over the shorter of (A) the weighted average life of such Incremental Term Loans and (B) four years)

payable to all lenders providing such Incremental Term Loans, but exclusive of any arrangement, structuring or other fees payable in connection therewith that are not shared with all lenders providing such Incremental Term Loans) may exceed the then "effective yield" on the First Lien Term Loan (determined on the same basis as provided in the preceding parenthetical) by more than 0.50% only if the "effective yield" on the First Lien Term Loan (determined on the same basis as provided in the second preceding parenthetical) is increased to be not less than (after giving effect to any increase to the "effective yield" on any term loans that are in the First Lien Term Loan) the "effective yield" on such Incremental Term Loans minus 0.50% per annum,

(ii) the final stated maturity date for such Incremental Term Loans may be identical to or later (but not earlier) than the final stated maturity date then applicable to the First Lien Term Loan,

(iii) the amortization requirements for such Incremental Term Loans may differ, so long as the average weighted life to maturity of such Incremental Term Loans is no shorter than the average weighted life to maturity applicable to the then outstanding First Lien Term Loan and

(iv) other terms may be included with respect to such Incremental Term Loans if applicable only to periods after the final stated maturity date then applicable to the First Lien Term Loan (or if such terms are also provided for the benefit of the First Lien Term Loan).

The Borrower may seek commitments in respect of the Incremental Facilities from existing First Lien Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and additional banks, financial institutions and other institutional lenders or investors who will become incremental lenders in connection therewith reasonably acceptable to the First Lien Administrative Agent (the "***Additional Lenders***").

Guaranties: All obligations under the First Lien Facilities will be guaranteed by each direct and indirect subsidiary of the Borrower other than:

(a) immaterial subsidiaries,

(b) foreign subsidiaries that are controlled foreign corporations ("***CFCs***") within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), and any subsidiaries of such CFCs,

(c) any subsidiary that has no material assets other than the equity and/or debt interests of one or more foreign subsidiaries that are CFCs ("***FSHCO***") and

(d) unrestricted subsidiaries (each, a "***Guarantor***" and, collectively, the "***Guarantors***", and, collectively with the Borrower, the "***Obligors***") shall be required to provide an unconditional guaranty on a joint and several basis (collectively, the "***First Lien Guaranties***") of all amounts owing under the First Lien Facilities.

Such Guaranties shall be guarantees of payment and not of collection.

Security: Subject to the terms of the Intercreditor Agreements (as defined below), all amounts owing under the First Lien Facilities (and all obligations under the First Lien Guaranties) will be secured by (x) a first priority perfected security interest in all stock, other equity interests, intercompany debt and promissory notes owned by the Borrower and the Guarantors ((1) limited to 65% of the voting stock and 100% of the non-voting stock in the case of equity interests of CFCs and FSHCOs and (2) excluding equity interests of unrestricted subsidiaries) and (y) a first priority security interest in substantially all domestic assets, including without limitation, substantially all personal property, owned real property and mixed property of the Borrower and the Guarantors, in each case subject to certain customary exceptions to be set forth in the First Lien Credit Documentation. The Borrower's existing $13 million letter of credit facility (the "***Existing LC Facility***") will be secured on a pari-passu basis with, will be guaranteed by the same Guarantors as and will be treated under the Intercreditor Agreements and the First Lien Credit Documentation as the same as the First Lien Term Loans. To the extent not refinanced by the First Lien Term Loan, indebtedness with respect to the Borrower's existing first lien credit agreement shall remain outstanding on a pari passu basis with the First Lien Term Loan on collateral that currently secures such indebtedness and guaranteed by the Guarantors that currently guarantee such indebtedness.

New ABL: The First Lien Facilities shall provide that Borrower may obtain a separate first priority lien asset-backed lending facility (the "***New ABL***") of up to $100 million with incremental capacity to increase the aggregate principal amount of the New ABL by $50 million.

Second Lien Term Loan A senior secured second lien term loan in an aggregate principal amount of up to $229,238.275.55 (the "***Second Lien Term Loan***").

Intercreditor Agreements: The priority of the security interests in the collateral and related creditors' rights as among (i) the First Lien Facilities, (ii) the Second Lien Term Loan, (iii) the New ABL and (iv) any other debt will be set forth in one or more customary intercreditor agreements (the "***Intercreditor Agreements***"). The Intercreditor Agreements shall provide, among other things, that the New ABL is secured by (a) first priority liens on all "current" assets (defined in a manner consistent with

the Existing Patriot ABL Facility) of the Obligors (including all Purchased Assets that constitute "current" assets), senior in all respects to the liens securing the First Lien Facilities, the Second Lien Term Loan and, subject to customary permitted liens and other liens to be agreed, any other debt of the Obligors and (b) first priority liens on all "fixed" assets of the Obligors, junior only to the liens securing the First Lien Facilities, but senior in all respects to the liens securing the Second Lien Term Loan and, subject to customary permitted liens and other liens to be agreed, any other debt of the Obligors.

Voluntary Prepayments: Voluntary prepayments may be made at any time on three business days' notice, without premium or penalty (except as otherwise provided under the heading "Prepayment Fee" below), in minimum principal amounts to be set forth in the First Lien Credit Documentation.

Mandatory Repayments: Subject to the Intercreditor Agreements (including provisions thereof with respect to collateral on which the New ABL has a senior security interest), mandatory repayments shall be required with respect to the First Lien Term Loans

(a) 100% of the net proceeds from asset sales by the Borrower and its restricted subsidiaries (subject to certain exceptions and reinvestment rights to be set forth in the First Lien Credit Documentation),

(b) 100% of the net proceeds from issuances or incurrences of debt (other than debt permitted to be incurred by the First Lien Credit Documentation) by the Borrower and its restricted subsidiaries,

(c) starting with the fiscal year ending 2017, 50% (reducing to 25% and 0% based on meeting total net leverage levels of 0.50x and 1.00x, respectively, inside the Borrower's total net leverage on the closing date) of annual Excess Cash Flow (to be defined in the First Lien Credit Documentation) of the Borrower and its restricted subsidiaries and

(d) 100% of the net proceeds from insurance recovery and condemnation events of the Borrower and its restricted subsidiaries (subject to certain exceptions and reinvestment rights to be set forth in the First Lien Credit Documentation).

All mandatory repayments made pursuant to clauses (a) through (d), inclusive, above will, subject to the provisions described under the heading "Waivable Prepayments" below, be applied pro rata to each outstanding tranche of First Lien Term Loan and Incremental Term Loans (if any), and shall be applied, first, in direct order to the next eight scheduled amortization payments of the respective term loans being repaid and, second, pro rata to reduce the remaining amortization payments of the respective term loans being repaid. If no First Lien Term Loans or Incremental Term Loans are outstanding, mandatory

repayments shall be applied to cash collateralize reimbursement obligations under the Existing LC Facility.

Waivable Prepayments: First Lien Lenders shall have the right to decline all or a portion of their pro rata share of any mandatory repayment as otherwise required above (excluding scheduled amortizations and mandatory repayments of the type described in clause (b) of the first paragraph of the section above entitled "Mandatory Repayments") on terms to be set forth in the First Lien Credit Documentation, in which case the amounts so declined shall be retained by the Borrower.

Prepayment Fee: The occurrence of any voluntary prepayment (or mandatory prepayment with the proceeds of debt) of the First Lien Term Loan will require payment of a fee (the "***Prepayment Fee***") equal to a percentage of the principal amount subject to such prepayment based upon the date of such prepayment as follows:

Prepayment Date	Prepayment Percentage
Prior to the 1st Anniversary of the Closing Date	5.0%
On or after the 1st anniversary of Closing Date and prior to the 2nd anniversary of the Closing Date	2.5%
On or after the 2nd anniversary of Closing Date and prior to the 3rd anniversary of the Closing Date	1.0%
On or after the 3rd anniversary of the Closing Date	0.0%

After such 36-month period all prepayments shall be at par with no additional fee

With respect to the 1.5 Lien Term Loan, none.

Interest Rates: With respect to the First Lien Tranche B-1 Term Loan and the First Lien Single Tranche Term Loan, 13.5%, payable quarterly in arrears on the last business day of each calendar quarter.

With respect to the First Lien Tranche B-2 Term Loan, 14.50%, payable quarterly in arrears on the last business day of each calendar quarter.

With respect to the 1.5 Lien Term Loan, 5% cash pay, payable quarterly in arrears on the last business day of each calendar quarter and 7% PIK.

Interest will also be payable at the time of repayment of any Loans (on the amount repaid) and at maturity. All interest shall be based on a 360-day year and actual days elapsed.

Default Interest: Overdue principal, overdue interest and other overdue amounts shall bear interest at a rate per annum equal to 2% in excess of the rate then borne. Such interest shall be payable on demand.

Yield Protection: The First Lien Facilities shall include customary protective provisions for such matters as funding losses, illegality and withholding taxes.

Conditions Precedent: Usual and customary for facilities of this type.

Representations and Warranties: The First Lien Credit Documentation will contain only the following representations and warranties (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed: (i) company status, (ii) power and authority, (iii) due authorization, execution and delivery and enforceability, (iv) no violation or conflicts with laws, contracts or charter documents, (v) governmental approvals, (vi) financial statements, financial condition, projections, (vii) absence of material litigation, (viii) true and complete disclosure, (ix) use of proceeds and compliance with margin regulations, (x) income and other material tax returns and payments, (xi) ERISA matters, (xii) compliance with law, (xiii) ownership of property, (xiv) creation, validity, perfection and priority of security interests under the Security Documents (to be defined in the First Lien Credit Documentation), (xv) ownership of subsidiaries, (xvi) inapplicability of Investment Company Act, (xvii) employment and labor relations, (xviii) intellectual property, franchises, licenses, permits, etc., (xix) environmental matters, (xx) existing indebtedness, (xxi) maintenance of insurance, (xxii) Patriot Act/"know your customer" laws, (xxiii) OFAC/anti-terrorism and sanctions laws and (xxiv) flood insurance.

Covenants: The First Lien Credit Documentation will contain only the following covenants (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (including customary fixed amount and ratio baskets to be agreed):

(a) ***Affirmative Covenants*** – (i) Compliance with laws and regulations (including, without limitation, ERISA and environmental laws); (ii) payment of income and other material taxes and other obligations; (iii) maintenance of adequate insurance; (iv) preservation of corporate existence, rights (charter and statutory), franchises, permits, licenses, copyrights, trademarks and patents necessary to the business; (v) visitation and inspection rights; (vi) keeping of proper books in accordance with generally accepted accounting principles; (vii) quarterly conference calls with lenders; (viii) maintenance of properties; (ix) further assurances as to perfection and priority of security interests and additional guarantors; (x) notice of defaults, material litigation and certain other material events; (xi) financial and other reporting requirements (including, without limitation, unaudited quarterly and audited annual financial statements for the Borrower and its subsidiaries on a consolidated basis (in

accordance with US GAAP), in each case with accompanying management discussion and analysis and, in the case of audited annual financial statements, accompanied by an opinion of a nationally recognized accounting firm (which opinion shall not be subject to any qualification as to "going concern" or scope of the audit), and budgets prepared by management of the Borrower and provided on an annual basis); (xii) use of proceeds; (xiii) maintenance of reserves for certain long-term liabilities and environmental matters; (xiv) change in fiscal year and fiscal quarter; (xv) performance of obligations and (xvi) designation of subsidiaries as "unrestricted subsidiaries" or "restricted subsidiaries".

(b) ***Negative Covenants*** – Restrictions (with exceptions to be agreed) on (i) liens; (ii) debt (including guaranties and other contingent obligations), with exceptions to include the Existing LC Facility, the Second Lien Term Loan (including any "AHYDO" catchup payments that may be required to be made), and the New ABL (and any incremental increases thereunder); (iii) mergers and consolidations; (iv) sales, transfers and other dispositions of property and assets (including sale-leaseback transactions but with exceptions to include (x) sales of inventory in the ordinary course of business and (y) sales of obsolete or worn out assets); (v) loans, acquisitions, joint ventures and other investments; (vi) dividends and other distributions to, and redemptions and repurchases from, equity holders (with exceptions for tax distributions in accordance with the LLC operating agreement of the Borrower, scheduled junior debt payments, expense reimbursements and other customary exceptions to be agreed); (vii) prepaying, redeeming or repurchasing junior lien, unsecured and subordinated debt; (viii) transactions with affiliates; (ix) restrictions on distributions, advances and asset transfers by subsidiaries; (x) issuances of certain equity interests, (xi) changes in the nature of business; (xii) amending organizational documents; (xiv) hedging obligations; (xv) negative pledges; and (xvi) accounting changes.

(c) ***Financial Covenant*** – A first lien net leverage ratio maintenance covenant (the "***Financial Covenant***") (with financial definitions and covenant levels to be set forth in the First Lien Credit Documentation), the first test date of which shall be the end of the fiscal quarter ended June 30, 2016. The Financial Covenant shall be established based on a 50% cushion to Consolidated EBITDA based upon the Borrower's financial model.

Unrestricted Subsidiaries: The First Lien Credit Documentation will contain provisions pursuant to which, subject to no default or event of default, limitations on investments and other conditions to be set forth in the First Lien Credit Documentation, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted

subsidiary as a restricted subsidiary; *provided*, that no subsidiary may be designated as an unrestricted subsidiary if such subsidiary owns or operates Core Mining Property (to be defined in the First Lien Credit Documentation). The designation of any subsidiary as an "unrestricted" subsidiary shall constitute an investment for purposes of the investment covenant in the First Lien Credit Documentation, and the designation of any unrestricted subsidiary as a restricted subsidiary shall be deemed to be an incurrence of indebtedness and liens by a restricted subsidiary of any outstanding indebtedness or liens, as applicable, of such unrestricted subsidiary for purposes of the First Lien Credit Documentation. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenants or events of default provisions of the First Lien Credit Documentation, and the cash held by, the results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with the Financial Covenant or any financial tests contained in such First Lien Credit Documentation.

Events of Default: The First Lien Credit Documentation will include only the following Events of Default (to be applicable to the Borrower and its restricted subsidiaries) with certain customary exceptions, qualifications and grace periods to be set forth therein: (i) nonpayment of principal when due or interest, fees or other amounts after a grace period set forth in the First Lien Credit Documentation; (ii) failure to perform or observe covenants set forth in First Lien Credit Documentation, subject (where customary and appropriate) to notice and an appropriate grace period; (iii) any representation or warranty proving to have been incorrect in any material respect (or, in any respect, if qualified by materiality) when made or confirmed; (iv) cross-defaults and cross-acceleration to other indebtedness in an amount to be set forth in the First Lien Credit Documentation; (v) bankruptcy, insolvency proceedings, etc. (with a customary grace period for involuntary proceedings); (vi) inability to pay debts, attachment, etc.; (vii) monetary judgment defaults in an amount to be set forth in the First Lien Credit Documentation; (viii) customary ERISA defaults; (ix) actual invalidity of the security documentation or the First Lien Guarantees or impairment of security interests in the Collateral; (x) Change of Control (to be defined in the First Lien Credit Documentation) and (xi) the Intercreditor Agreements ceasing to be in full force and effect other than in accordance with their terms. The rights and remedies with respect to any Events of Default shall be subject to the Intercreditor Agreements.

Assignments and Participations: The Borrower may not assign its rights or obligations under the First Lien Facilities without the prior written consent of the First Lien Lenders. Any First Lien Lender may assign, and may sell participations in, its rights and obligations under the First Lien Facilities, subject (x) in the case of participations, to customary restrictions on the voting rights of the participants and restrictions on participations to the Borrower and its affiliates and (y) in the case of assignments, to such limitations as set forth in the First Lien Credit Documentation (including (i) a minimum

assignment amount of $1,000,000 (or, if less, the entire amount of such assignor's commitments and outstanding Loans at such time), (ii) an assignment fee in the amount of $3,500 to be paid by the respective assignor or assignee to the First Lien Administrative Agent, (iii) restrictions on assignments to any entity that is not an Eligible Transferee (to be defined in the First Lien Credit Documentation), (iv) the receipt of the consent of the First Lien Administrative Agent (other than with respect to assignments to any First Lien Lender, its affiliates, or an "approved fund"), such consent not to be unreasonably withheld, delayed or conditioned and (v) the receipt of the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned); *provided*, that the Borrower's consent shall not be so required if (x) such assignment is to any First Lien Lender, its affiliates or an "approved fund" of a First Lien Lender, (y) during the "primary syndication" of the First Lien Facilities, or (z) a default or event of default exists under the First Lien Facilities; *provided, further*, that such consent of the Borrower shall be deemed to have been given if the Borrower has not responded within five (5) business days of a request for such consent.

The First Lien Credit Documentation shall provide that the Borrower may offer to purchase loans under the First Lien Facilities at a discount to the par value of such loans through customary procedures to be agreed.

Waivers and Amendments: Amendments and waivers of the provisions of the First Lien Credit Documentation will require the approval of First Lien Lenders holding commitments and/or outstandings (as appropriate) representing more than 50% of the aggregate commitments and outstandings under the First Lien Facilities (the "***Required First Lien Lenders***"), except that the consent of each First Lien Lender directly and adversely affected thereby will be required with respect to (i) increases in commitment amounts of such First Lien Lender, (ii) reductions of principal, interest (other than default interest) or fees owing to such First Lien Lender, (iii) extensions of scheduled payments of any Loans (including at final maturity) of such Lender or times for payment of interest or fees owing to such First Lien Lender, (iv) modifications to the pro rata sharing and payment provisions, assignment provisions or the voting percentages and (v) releases of all or substantially all of the collateral; *provided*, that if any of the matters described above is agreed to by the Required First Lien Lenders, the Borrower shall have the right to either (x) substitute any non-consenting First Lien Lender by having its Loans and commitments assigned, at par, to one or more other institutions, subject to the assignment provisions described above, or (y) with the express written consent of the Required First Lien Lenders, terminate the commitment of, and repay the obligations owing to, any non-consenting First Lien Lender, subject to repayment in full of all obligations of the Borrower owed to such First Lien Lender relating to its loans under the First Lien Facilities and participations held by such First Lien Lender with, in the case of either preceding clause (x) or (y), the payment by the Borrower to each non-consenting First Lien Lender of the applicable

Prepayment Fee (if such assignment or repayment occurs prior to the 24-month anniversary of the closing date); *provided*, the voting provisions shall also provide for customary class voting protections for each class of similarly situated loans to be agreed.

In addition, the First Lien Credit Documentation shall provide for the amendment (or amendment and restatement) of the First Lien Credit Documentation to provide for a new tranche of replacement term loans to replace all or part of the First Lien Facilities, subject to customary limitations (including as to tenor, weighted average life to maturity, "effective yield" and applicable covenants prior to the First Lien Maturity Date), with the consent of the First Lien Administrative Agent, the Borrower and the lenders providing such replacement term loans. The First Lien Credit Documentation shall also provide for customary provisions governing extension and refinancing facilities.

Indemnification; Expenses: The First Lien Credit Documentation will contain customary and appropriate provisions relating to indemnity, reimbursement, exculpation and other related matters.

Governing Law: All First Lien Credit Documentation shall be governed by the internal laws of the State of New York (except security documentation that the First Lien Administrative Agent determines should be governed by local law).

EXHIBIT F

Combined Company Second Lien Loan Term Sheet

L&W Draft 10/08/2015
Subject to FRE 408

BLACKHAWK MINING LLC
$229 MILLION SECOND LIEN TERM LOAN
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Set forth below is a summary (the "***Second Lien Term Sheet***") of the principal terms and conditions for the Second Lien Term Loan (as defined below) for Blackhawk Mining LLC. This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the Second Lien Term Loan (the "***Second Lien Credit Documentation***"). Further, as the Second Lien Credit Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the Second Lien Credit Documentation for the final terms of the Second Lien Term Loan. Capitalized terms not defined herein shall have the meaning attributed to them in the Asset Purchase Agreement dated as of June 22, 2015 among the Borrower, Patriot Coal Corporation and the other parties thereto (as may be amended, amended and restated or otherwise modified from time to time, the "***Asset Purchase Agreement***").

Borrower:	Blackhawk Mining LLC, a Kentucky limited liability company (the "***Borrower***").
Second Lien Administrative Agent:	Deutsche Bank AG New York Branch ("***DBNY***") will act as sole administrative agent and collateral agent (in such capacities, the "***Second Lien Administrative Agent***") for the second lien lenders (the "***Second Lien Lenders***"), and will perform the duties customarily associated with such roles.
Sole Lead Arranger and Book-Running Manager:	Deutsche Bank Securities Inc. will act as sole lead arranger and sole book-running manager for the Second Lien Term Loan (as defined below), and will perform the duties customarily associated with such roles.
Amount:[1]	A senior secured second lien term loan facility with in an aggregate principal amount of up to $229,238,375.55 (the "***Second Lien Term Loan***").
Use of Proceeds:	$192,238,375.55 of Second Lien Term Loans shall be distributed, on a pro rata basis, to holders of claims in such class in satisfaction of obligations under the Existing Patriot LC Facility. Up to $37.0 million of the Second Lien Term Loans (together with up to $71.4 million of First Lien Tranche B-2 Term Loan (as defined below) or First Lien Single Tranche Term Loan (as defined below)) shall be exchanged for $59.6 million in cash, $57.1 million of which shall be used to satisfy Existing Blackhawk Indebtedness of JR Acquisition, LLC. The consummation of such $59.6 million investment in the Borrower shall be a condition to the consummation of the other transactions contemplated herein.

[1] **NTD**: All dollar figures assume the transactions contemplated herein are consummated on or before October 1, 2015 (it being understood such figures will be adjusted to account for the consummation of the transactions on October 19, 2015 or such other date as may be agreed).

Maturity: The maturity date of the Second Lien Term Loan shall be five and half years from the closing date (the "***Second Lien Maturity Date***").

Amortization: None.

Guaranties: All obligations under the Second Lien Term Loan will be guaranteed by each direct and indirect subsidiary of the Borrower other than:

(a) immaterial subsidiaries,

(b) foreign subsidiaries that are controlled foreign corporations ("***CFCs***") within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), and any subsidiaries of such CFCs,

(c) any subsidiary that has no material assets other than the equity and/or debt interests of one or more foreign subsidiaries that are CFCs ("***FSHCO***") and

(d) unrestricted subsidiaries (each, a "**Guarantor**" and, collectively, the "***Guarantors***", and, collectively with the Borrower, the "***Obligors***") shall be required to provide an unconditional guaranty on a joint and several basis (collectively, the "***Second Lien Guaranties***") of all amounts owing under the Second Lien Term Loan.

Such Guaranties shall be guarantees of payment and not of collection.

Security: Subject to the terms of the Intercreditor Agreements (as defined below), all amounts owing under the Second Lien Term Loan (and all obligations under the Second Lien Guaranties) will be secured by (x) a second priority perfected security interest in all stock, other equity interests, intercompany debt and promissory notes owned by the Borrower and the Guarantors ((1) limited to 65% of the voting stock and 100% of the non-voting stock in the case of equity interests of CFCs and FSHCOs and (2) excluding equity interests of unrestricted subsidiaries) and (y) a second priority security interest in substantially all domestic assets, including without limitation, substantially all personal property, owned real property and mixed property of the Borrower and the Guarantors, in each case subject to certain customary exceptions to be set forth in the Second Lien Credit Documentation.

New ABL: The Second Lien Term Loan shall provide that Borrower may obtain a separate first priority lien asset-backed lending facility (the "***New ABL***") of up to $[100] million with incremental capacity to increase the aggregate principal amount of the New ABL by $[50] million.

First Lien Facilities A senior secured first lien term facility with at the Borrower's option (x)(a) a term loan tranche in an aggregate principal amount of up to $329.8 million (the "***First Lien Tranche B-1 Term Loan***") and (b) a term loan tranche in an aggregate principal amount of up to $71.4 million

(the "***First Lien Tranche B-2 Term Loan***" and together with the First Lien Tranche B-1 Term Loan, the "***First Lien Tranche B Term Loans***") or (y) a term loan tranche in an aggregate principal amount of up to $401.2 million (the "***First Lien Single Tranche Term Loan***" and together with the First Lien Tranche B Term Loans, the "***First Lien Term Loan***") and (c) a term loan tranche in the aggregate principal amount of up to $115.0 million, which will be payment subordinated to the First Lien Term Loan (the "***1.5 Lien Term Loan***" and together with the First Lien Term Loan (the "***First Lien Facilities***").

Intercreditor Agreements: The priority of the security interests in the collateral and related creditors' rights as among (i) the First Lien Facilities, (ii) the Second Lien Term Loan, (iii) the New ABL and (iv) any other debt will be set forth in one or more customary intercreditor agreements (the "***Intercreditor Agreements***"). The Intercreditor Agreements shall provide, among other things, the Second Lien Term Loan is secured by liens junior in all respects to the liens securing the New ABL, the First Lien Facilities. The Borrower's existing $13 million letter of credit facility (the "***Existing LC Facility***") will be secured on a pari-passu basis with, will be guaranteed by the same Guarantors as and will be treated under the Intercreditor Agreements and the First Lien Credit Documentation (as defined below) as the same as the First Lien Term Loans. To the extent not refinanced by the First Lien Term Loan, indebtedness with respect to the Borrower's existing first lien credit agreement shall remain outstanding on a pari passu basis with the First Lien Term Loan on collateral that currently secures such indebtedness and guaranteed by the Guarantors that currently guarantee such indebtedness.

Mandatory Repayments: None; *provided*, that the Second Lien Credit Documentation may provide that prior to the close of each accrual period ending on or after the fifth anniversary of the issue date of the Second Lien Term Loan, the Borrower shall prepay the minimum amount of principal and accrued interest on the outstanding Second Lien Term Loan necessary to prevent any of the accrued and unpaid interest or original issue discount on the Second Lien Term Loan from being disallowed or deferred as a deduction under Section 163(e)(5) of the Internal Revenue Code (for the avoidance of doubt, taking into account Treasury Regulation Section 1.701-2(f)) (each such payment, an "AHYDO Catch-Up Payment")

Prepayment Fee: None.

Interest Rates: Second Lien Term Loan shall accrue interest as follows and, to the extent cash pay, payable semiannually in arrears on [●] and [●]:

(a) (i) 2.00% cash coupon for periods ending in 2016,

(ii) 2.50% cash coupon for periods ending in 2017,

(iii) 3.50% cash coupon for periods ending in 2018,

(iv) 4.50% cash coupon for periods ending in 2019,

(v) 5.50% cash coupon for periods ending in 2020 and

(vi) 6.50% cash coupon for periods ending in 2021 and thereafter,

plus (b) 6.5% PIK.

Default Interest: Overdue principal, overdue interest and other overdue amounts shall bear interest at a rate per annum equal to 2% in excess of the rate then borne. Such interest shall be payable on demand.

Yield Protection: The Second Lien Term Loan shall include customary protective provisions for such matters as funding losses, illegality and withholding taxes.

Conditions Precedent: Usual and customary for facilities of this type.

Representations and Warranties: The Second Lien Credit Documentation will contain only the following representations and warranties (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed: (i) company status, (ii) power and authority, (iii) due authorization, execution and delivery and enforceability, (iv) no violation or conflicts with laws, contracts or charter documents, (v) governmental approvals, (vi) financial statements, financial condition, projections, (vii) absence of material litigation, (viii) true and complete disclosure, (ix) use of proceeds and compliance with margin regulations, (x) income and other material tax returns and payments, (xi) ERISA matters, (xii) compliance with law, (xiii) ownership of property, (xiv) creation, validity, perfection and priority (with appropriate modifications to reflect the second lien status of the Second Lien Term Loan) of security interests under the Security Documents (to be defined in the Second Lien Credit Documentation), (xv) ownership of subsidiaries, (xvi) inapplicability of Investment Company Act, (xvii) employment and labor relations, (xviii) intellectual property, franchises, licenses, permits, etc., (xix) environmental matters, (xx) existing indebtedness, (xxi) maintenance of insurance, (xxii) Patriot Act/"know your customer" laws, (xxiii) OFAC/anti-terrorism and sanctions laws and (xxiv) flood insurance.

Covenants: The Second Lien Credit Documentation will contain only the following covenants (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (including customary fixed amount and ratio baskets to be agreed):

(a) ***Affirmative Covenants*** – (i) Compliance with laws and regulations (including, without limitation, ERISA and environmental laws); (ii) payment of income and other material taxes and other obligations; (iii) maintenance of adequate insurance; (iv) preservation of corporate existence, rights

(charter and statutory), franchises, permits, licenses, copyrights, trademarks and patents necessary to the business; (v) visitation and inspection rights; (vi) keeping of proper books in accordance with generally accepted accounting principles; (vii) quarterly conference calls with lenders; (viii) maintenance of properties; (ix) further assurances as to perfection and priority of security interests and additional guarantors; (x) notice of defaults, material litigation and certain other material events; (xi) financial and other reporting requirements (including, without limitation, unaudited quarterly and audited annual financial statements for the Borrower and its subsidiaries on a consolidated basis (in accordance with US GAAP), in each case with accompanying management discussion and analysis and, in the case of audited annual financial statements, accompanied by an opinion of a nationally recognized accounting firm (which opinion shall not be subject to any qualification as to "going concern" or scope of the audit), and budgets prepared by management of the Borrower and provided on an annual basis); (xii) use of proceeds; (xiii) maintenance of reserves for certain long-term liabilities and environmental matters; (xiv) change in fiscal year and fiscal quarter; (xv) performance of obligations and (xvi) designation of subsidiaries as "unrestricted subsidiaries" or "restricted subsidiaries". Such affirmative covenants shall include additional cushions, where customary, on thresholds (if any) to the First Lien Facilities of at least 20% greater than the thresholds under the definitive documentation for the First Lien Facilities (the "***First Lien Credit Documentation***").

(b) ***Negative Covenants*** – Restrictions (with exceptions to be agreed) on (i) liens; (ii) debt (including guaranties and other contingent obligations), with exceptions to include the Existing LC Facility, the First Lien Facilities, and the New ABL (and any incremental increases thereunder); (iii) mergers and consolidations; (iv) sales, transfers and other dispositions of property and assets (including sale-leaseback transactions but with exceptions to include (x) sales of inventory in the ordinary course of business and (y) sales of obsolete or worn out assets); (v) loans, acquisitions, joint ventures and other investments; (vi) dividends and other distributions to, and redemptions and repurchases from, equity holders (with exceptions for tax distributions in accordance with the LLC operating agreement of the Borrower, scheduled junior debt payments, expense reimbursements and other customary exceptions to be agreed); (vii) prepaying, redeeming or repurchasing junior lien, unsecured and subordinated debt; (viii) transactions with affiliates; (ix) restrictions on distributions, advances and asset transfers by subsidiaries; (x) issuances of certain equity interests, (xi) changes in the nature of business; (xii) amending organizational documents; (xiv) hedging obligations; (xv) negative pledges; and (xvi) accounting changes. Such negative covenants shall include additional cushions, where customary, on thresholds (if any) to

the First Lien Facilities of at least 20% greater than the thresholds under the First Lien Credit Documentation.

(c) ***Financial Covenant*** – None.

Unrestricted Subsidiaries: The Second Lien Credit Documentation will contain provisions pursuant to which, subject to no default or event of default, limitations on investments and other conditions to be set forth in the Second Lien Credit Documentation, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary; *provided*, that no subsidiary may be designated as an unrestricted subsidiary if such subsidiary owns or operates Core Mining Property (to be defined in the Second Lien Credit Documentation). The designation of any subsidiary as an "unrestricted" subsidiary shall constitute an investment for purposes of the investment covenant in the Second Lien Credit Documentation, and the designation of any unrestricted subsidiary as a restricted subsidiary shall be deemed to be an incurrence of indebtedness and liens by a restricted subsidiary of any outstanding indebtedness or liens, as applicable, of such unrestricted subsidiary for purposes of the Second Lien Credit Documentation. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenants or events of default provisions of the Second Lien Credit Documentation, and the cash held by, the results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with any financial tests contained in such Second Lien Credit Documentation.

Events of Default: The Second Lien Credit Documentation will include only the following Events of Default (to be applicable to the Borrower and its restricted subsidiaries) with certain customary exceptions, qualifications and grace periods to be set forth therein: (i) nonpayment of principal when due or interest, fees or other amounts after a grace period set forth in the Second Lien Credit Documentation; (ii) failure to perform or observe covenants set forth in Second Lien Credit Documentation, subject (where customary and appropriate) to notice and an appropriate grace period; (iii) any representation or warranty proving to have been incorrect in any material respect (or, in any respect, if qualified by materiality) when made or confirmed; (iv) cross-defaults and cross-acceleration to other indebtedness in an amount to be set forth in the Second Lien Credit Documentation; (v) bankruptcy, insolvency proceedings, etc. (with a customary grace period for involuntary proceedings); (vi) inability to pay debts, attachment, etc.; (vii) monetary judgment defaults in an amount to be set forth in the Second Lien Credit Documentation; (viii) customary ERISA defaults; (ix) actual invalidity of the security documentation or the Second Lien Guarantees or impairment of security interests in the Collateral; (x) Change of Control (to be defined in the Second Lien Credit Documentation); (xi) the Intercreditor Agreements ceasing to be in full force and effect other than in accordance with their terms and (xii) cross-payment default at maturity and cross-acceleration default (instead

of cross-default) to the First Lien Facilities. The rights and remedies with respect to any Events of Default shall be subject to the Intercreditor Agreements. Such Events of Default shall include cushions, where customary, on thresholds (if any) to the First Lien Facilities of at least 20% greater than the thresholds under the First Lien Credit Documentation.

Assignments and Participations: The Borrower may not assign its rights or obligations under the Second Lien Term Loan without the prior written consent of the Second Lien Lenders. Any Second Lien Lender may assign, and may sell participations in, its rights and obligations under the Second Lien Term Loan, subject (x) in the case of participations, to customary restrictions on the voting rights of the participants and restrictions on participations to the Borrower and its affiliates and (y) in the case of assignments, to such limitations as set forth in the Second Lien Credit Documentation (including (i) a minimum assignment amount of $1,000,000 (or, if less, the entire amount of such assignor's commitments and outstanding Loans at such time), (ii) an assignment fee in the amount of $3,500 to be paid by the respective assignor or assignee to the Second Lien Administrative Agent, (iii) restrictions on assignments to any entity that is not an Eligible Transferee (to be defined in the Second Lien Credit Documentation), (iv) the receipt of the consent of the Second Lien Administrative Agent (other than with respect to assignments to any Second Lien Lender, its affiliates, or an "approved fund"), such consent not to be unreasonably withheld, delayed or conditioned and (v) the receipt of the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned); *provided*, that the Borrower's consent shall not be so required if (x) such assignment is to any Second Lien Lender, its affiliates or an "approved fund" of a Second Lien Lender, (y) during the "primary syndication" of the Second Lien Term Loan, or (z) a default or event of default exists under the Second Lien Term Loan; *provided, further*, that such consent of the Borrower shall be deemed to have been given if the Borrower has not responded within five (5) business days of a request for such consent.

The Second Lien Credit Documentation shall provide that the Borrower may offer to purchase loans under the Second Lien Term Loan at a discount to the par value of such loans through customary procedures to be agreed.

Waivers and Amendments: Amendments and waivers of the provisions of the Second Lien Credit Documentation will require the approval of Second Lien Lenders holding commitments and/or outstandings (as appropriate) representing more than 50% of the aggregate commitments and outstandings under the Second Lien Term Loan (the "***Required Second Lien Lenders***"), except that the consent of each Second Lien Lender directly and adversely affected thereby will be required with respect to (i) increases in commitment amounts of such Second Lien Lender, (ii) reductions of principal, interest (other than default interest) or fees owing to such Second Lien Lender, (iii) extensions of scheduled payments of any

Loans (including at final maturity) of such Lender or times for payment of interest or fees owing to such Second Lien Lender, (iv) modifications to the pro rata sharing and payment provisions, assignment provisions or the voting percentages and (v) releases of all or substantially all of the collateral; *provided*, that if any of the matters described above is agreed to by the Required Second Lien Lenders, the Borrower shall have the right to either (x) substitute any non-consenting Second Lien Lender by having its Loans and commitments assigned, at par, to one or more other institutions, subject to the assignment provisions described above, or (y) with the express written consent of the Required Second Lien Lenders, terminate the commitment of, and repay the obligations owing to, any non-consenting Second Lien Lender, subject to repayment in full of all obligations of the Borrower owed to such Second Lien Lender relating to its loans under the Second Lien Term Loan and participations held by such Second Lien Lender.

In addition, the Second Lien Credit Documentation shall provide for the amendment (or amendment and restatement) of the Second Lien Credit Documentation to provide for a new tranche of replacement term loans to replace all or part of the Second Lien Term Loan, subject to customary limitations (including as to tenor, weighted average life to maturity, "effective yield" and applicable covenants prior to the Second Lien Maturity Date), with the consent of the Second Lien Administrative Agent, the Borrower and the lenders providing such replacement term loans. The Second Lien Credit Documentation shall also provide for customary provisions governing extension and refinancing facilities.

Indemnification; Expenses: The Second Lien Credit Documentation will contain customary and appropriate provisions relating to indemnity, reimbursement, exculpation and other related matters.

Governing Law: All Second Lien Credit Documentation shall be governed by the internal laws of the State of New York (except security documentation that the Second Lien Administrative Agent determines should be governed by local law).

EXHIBIT R

Combined Company Financial Projections

Combined Company Projections

Assuming Acceptance of the Plan by Class 5 (Prepetition LC Facility Claims)

Financial Projections[1]

These financial projections (the "***Financial Projections***") for the Combined Company present, to the best of Blackhawk's and the Debtors' knowledge and belief, the Combined Company's expected financial position, results of operations and cash flows for the projection period. The assumptions and notes to the Financial Projections (the "***Notes***") disclosed herein are those that Blackhawk and the Debtors believe are significant to the Financial Projections. Because events and circumstances frequently do not occur as expected, there will be differences between the projected and actual results. These differences may be material to the Financial Projections herein.

I. Projection Assumptions

The Financial Projections have been prepared to assist the Bankruptcy Court in determining whether the Plan meets the "feasibility" requirements of section 1129(a)(11) of the Bankruptcy Code. The Financial Projections have been prepared for the three months ending December 31, 2015 and for the four years ending December 31 of 2016, 2017, 2018 and 2019, respectively (the "***Projection Period***"). The Financial Projections are based on a number of assumptions, and while Blackhawk, with the Debtors' assistance and input, has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, it is important to note that Blackhawk and the Debtors can provide no assurance that such assumptions will ultimately be realized. The Financial Projections and the Notes should be read in conjunction with the assumptions and qualifications contained herein, the risk factors described in Article X of the Disclosure Statement and the historical financial statements filed by the Debtors as Monthly Operating Reports. Section III herein summarizes the underlying key assumptions upon which the Financial Projections are based.

The Financial Projections take into account the Combined Company's contemplated operations initiatives and existing conditions in the coal industry. In addition, the Financial Projections are based on the assumption that the Plan will be confirmed as stated in the Disclosure Statement and the Plan and will become effective (the "***Effective Date***") on or about October 31, 2015.

II. Accounting Policies

The Financial Projections have been prepared by Blackhawk, with the assistance and input of the Debtors. The Financial Projections were not prepared to comply with the Guidelines for Prospective Financial Statements published by the American Institute of Certified Public Accountants or the rules and regulations of the SEC and by their nature are not financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

The Financial Projections do not reflect the impact of any fresh start reporting in accordance with the Financial Accounting Standards Board, Accounting Standards Codification, Section 852 "Reorganizations" and it's potential impact on the Combined Company's prospective results of operations.

The Financial Projections contain certain statements that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control

[1] Capitalized terms used but not defined herein shall have the meanings set forth in the Disclosure Statement. To the extent that a definition of a term in the text of this Exhibit E to the Disclosure Statement and the definition of such term in the Disclosure Statement is inconsistent, the definition included in the Disclosure Statement shall control.

of the Debtors and Blackhawk, including the confirmation of the Plan on the presumed Effective Date, the continuing availability of sufficient borrowing capacity or other financing to fund operations, achieving operating efficiencies, relationship and terms with vendors and trade creditors, cost and availability of raw materials and energy, terms and conditions of new credit facilities (if any), maintaining good employee relations, existing and future governmental regulations and actions of governmental bodies, general economic conditions in the markets in which the Debtors operate, industry specific risk factors (including as detailed in Article X of the Disclosure Statement) and other market and competitive conditions. Holders of Claims and Interests are cautioned that the forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and the Debtors and Blackhawk undertake no obligation to update any such statements.

ALTHOUGH EVERY EFFORT WAS MADE TO BE ACCURATE, THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION, THE FINANCIAL ACCOUNTING STANDARDS BOARD, THE INTERNATIONAL FINANCIAL REPORTING STANDARDS OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION REGARDING PROJECTIONS. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY THE DEBTORS' OR BLACKHAWK'S INDEPENDENT CERTIFIED ACCOUNTANTS. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE PROJECTIONS ARE BASED ON A VARIETY OF ASSUMPTIONS, WHICH MAY NOT BE REALIZED, AND WHICH ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, WHICH ARE BEYOND THE CONTROL OF THE DEBTORS AND BLACKHAWK. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY ANY OF THE DEBTORS, BLACKHAWK OR ANY OTHER PERSON THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN REACHING THEIR DETERMINATIONS OF WHETHER TO ACCEPT OR REJECT THE PLAN.

III. Key Assumptions

a. Combined Company Projected Consolidated Statement of Operations

(i) *Total Tons Sold* – Projected tons sold are the aggregation of both contracted and uncontracted tons expected to be sold. Total tons sold are projected to increase over the Projection Period.

1. *Contracted Tons* – Tons to be sold for which buyers have already entered contracts.

2. *Uncontracted Tons* – Tons to be sold for which buyers have yet to enter contracts and selling prices yet to be determined.

Tons Sold (000s)					
	4Q 2015	2016	2017	2018	2019
Contracted Tons	2,756	3,706	3,270	1,200	--
Uncontracted Tons	2,467	14,996	21,548	24,742	25,449
Total Tons	5,223	18,702	24,818	25,942	25,449
Contracted Tons %	*53%*	*20%*	*13%*	*5%*	*–%*
Uncontracted Tons %	*47%*	*80%*	*87%*	*95%*	*100%*

(ii) *Total Sales* – Comprises primarily revenue from coal sales, based on forecasted future pricing for each of Combined Company's various coal qualities. Sales are based upon estimates of currently contracted sales, projected uncontracted tons sold and forecasted pricing at each mining complex.

(iii) *Total Production Costs* – Production costs associated with the Combined Company's mining of coal. Production cost per ton is forecasted to decrease as a result of improved operating efficiency.

(iv) *Selling, General and Administrative Expenses ("SG&A")* – SG&A expenses include all expenses related to corporate management and joint facility functions. SG&A expenses are expected to increase in 2017 and then remain relatively constant.

(v) *Capital Expenditures* – Capital expenditures comprise cash outflows primarily for continued investment in mine development, mining equipment and maintenance costs.

(vi) *Capital Lease Payments* – Capital lease payments comprise both principal and interest payments associated with Blackhawk capital leases.

(vii) *Cash Interest* – Post-emergence cash interest related to the Combined Company Debt Facilities as set forth in the Disclosure Statement.

(viii) *Mandatory Amortization Payments* – Includes 1.0% annual amortization payments on Combined Company First Lien Term Loan and Combined Company 1.5 Lien Term Loan beginning in 2017.

(ix) *Excess Cash Flow Sweep* – Pursuant to terms of the Combined Company First Lien Term Loan and Combined Company 1.5 Lien Term Loan, assumes the Combined Company is subject to an excess cash flow sweep beginning in 2017. Amount of sweep is contingent on net leverage.

(x) *Beginning Cash* – Assumes $80 million of cash post-closing contributed from Blackhawk and proceeds from the Combined Company 1.5 Lien Term Loan.

(xi) *Total First Lien Debt* – Includes Combined Company New ABL and Combined Company First Lien Term Loan. Assumes total amount of DIP Claims is $109 million, total amount of funded L/Cs under the Prepetition LC

Facility and Prepetition ABL Facility is $236 million (net of $7 million in L/Cs that the Debtors anticipate will be returned prior to a transaction) and total amount of Blackhawk debt is $263 million. Excludes capital leases and equipment financing.

(xii) *Total Debt through 1.5 Lien* – Includes Total First Lien Debt and Combined Company 1.5 Lien Term Loan.

(xiii) *Total Secured Debt* – Includes Total Debt through 1.5 Lien and Combined Company Second Lien Term Loan.

(xiv) *Total Debt* – Includes Total Secured Debt and Combined Company Unsecured Notes.

Combined Company Operating Summary and Credit Metrics ($ in millions)						
	Closing	4Q 2015	2016	2017	2018	2019
Total Tons Sold (000s)		5,223	18,702	24,818	25,942	25,449
Total Sales		$330	$1,204	$1,552	$1,632	$1,641
Realization per ton ($/ton)		*$63.17*	*$64.38*	*$62.55*	*$62.91*	*$64.50*
Total Production Costs		($280)	($1,022)	($1,295)	($1,335)	($1,314)
Total Production Costs per ton ($/ton)		*$53.7*	*$54.6*	*$52.2*	*$51.5*	*$51.6*
SG&A		($5)	($15)	($18)	($18)	($18)
Total Costs		**($285)**	**($1,037)**	**($1,312)**	**($1,353)**	**($1,332)**
Total Costs per ton ($/ton)		*($54.6)*	*($55.4)*	*($52.9)*	*($52.1)*	*($52.3)*
Adjusted EBITDA		$45	$167	$240	$279	$309
Capital Expenditures		(26)	(82)	(92)	(96)	(93)
Change in Net Working Capital		(2)	(1)	(2)	(4)	(5)
Capital Lease Payments		(4)	(14)	(12)	(13)	--
Cash Flow before Debt Service		**$13**	**$71**	**$134**	**$166**	**$212**
Cash Interest		(18)	(72)	(73)	(76)	(80)
Mandatory Amortization		--	--	(5)	(5)	(5)
Excess Cash Flow Sweep		--	--	--	--	--
Net Free Cash Flow		**($5)**	**($1)**	**$56**	**$85**	**$127**
Beginning Cash		$80	$75	$74	$130	$215
Ending Cash	$80	75	74	130	215	343
Total First Lien Debt	$445	$445	$445	$440	$436	$431
Net First Lien Debt	365	370	371	310	220	89
Total Debt through 1.5 Lien	$560	$562	$570	$573	$577	$581
Net Debt through 1.5 Lien	480	487	496	443	361	238
Total Secured Debt	$789	$795	$818	$837	$858	$881
Total Net Secured Debt	709	720	744	707	643	538
Total Debt	$804	$810	$833	$853	$874	$897
Total Net Debt	724	735	759	723	659	554
Total First Lien Debt / EBITDA		2.5x	2.7x	1.8x	1.6x	1.4x
Total First Lien Net Debt / EBITDA		2.1x	2.2x	1.3x	0.8x	0.3x
Total Debt through 1.5 Lien / EBITDA		3.1x	3.4x	2.4x	2.1x	1.9x
Net Debt through 1.5 Lien / EBITDA		2.7x	3.0x	1.8x	1.3x	0.8x
Total Secured Debt / EBITDA		4.4x	4.9x	3.5x	3.1x	2.8x
Total Net Secured Debt / EBITDA		4.0x	4.4x	2.9x	2.3x	1.7x
Total Debt / EBITDA		4.5x	5.0x	3.6x	3.1x	2.9x
Total Net Debt / EBITDA		4.1x	4.5x	3.0x	2.4x	1.8x
EBITDA / Cash Interest		2.5x	2.3x	3.3x	3.7x	3.9x
(EBITDA – Capex) / Cash Interest		1.1x	1.2x	2.0x	2.4x	2.7x

b. Combined Company Sources and Uses of Debt

(i) *New ABL* – Includes Combined Company New ABL. Assumes total amount of funded L/Cs under the Prepetition ABL Facility is $44 million (net of $0.6 million in L/Cs that the Debtors anticipate will be returned prior to a transaction).

(ii) *New First Lien Term Loan (B-1)* – Includes Combined Company First Lien Tranche B-1 Term Loan.

(iii) *New First Lien Term Loan (B-2)* – Includes Combined Company First Lien Tranche B-2 Term Loan.

(iv) *New 1.5 Lien Debt* – Includes Combined Company 1.5 Lien Term Loan. Assumes Combined Company 1.5 Lien Term Loan Lenders receive $115 million in Combined Company 1.5 Lien Term Loan in exchange for $80 million cash contribution.

(v) *New Second Lien Term Loan* – Includes Combined Company Second Lien Term Loan.

(vi) *New Unsecured Notes* – Includes Combined Company Unsecured Notes.

(vii) *Patriot DIP* – Assumes DIP Claims of $109 million.

(viii) *OID on Patriot DIP* – Assumes additional $6 million consideration to DIP Claims in the form of Original Issue Discount ("OID").

(ix) *Patriot ABL* – Includes L/Cs under the Prepetition ABL Facility of $44 million (net of $0.7 million in L/Cs that the Debtors anticipate will be returned prior to a transaction)

(x) *Patriot L/C Facility* – Includes L/Cs under the Prepetition LC Facility of $192 million (net of $6.2 million in L/Cs that the Debtors anticipate will be returned prior to a transaction).

(xi) *1.5 Lien Debt Issued to Combined Company 1.5 Lien Term Loan Lenders* – Includes $80 million of Combined Company 1.5 Lien Term Loan issued to Combined Company 1.5 Lien Term Loan Lenders; excludes OID.

(xii) *OID on Combined Company 1.5 Lien Term Loan* – Assumes additional $35 million of Combined Company 1.5 Lien Term Loan issued to Combined Company 1.5 Lien Term Loan Lenders in the form of OID.

(xiii) *Blackhawk Debt* – Assumes $263 million of existing Blackhawk debt. Excludes capital leases and equipment financing.

(xiv) *OID to Blackhawk* – Assumes additional $60 million of Combined Company Debt Facilities issued to Blackhawk debt in the form of OID.

Sources and Uses of Debt ($ in millions)			
Sources		**Uses**	
New ABL	$44	DIP Facility	$109
New First Lien Term Loan (B-1)	330	OID on DIP Facility	6
New First Lien Term Loan (B-2)	71	Prepetition ABL	44
New 1.5 Lien Debt	115	Prepetition LC Facility	192
New Second Lien Term Loan	229	Prepetition Term Loan Facility	247
New Unsecured Notes	15	Prepetition Notes	306
Cancellation of Prepetition Term Loan Facility	247	Unsecured Notes Issued to Prepetition General Unsecured Claims	15
Cancellation of Prepetition Notes	306	1.5 Lien Debt Issued to Combined Company 1.5 Lien Term Loan Lenders	80
		OID on Combined Company 1.5 Lien Term Loan	35
		Blackhawk Debt	263
		OID to Blackhawk	60
Total Sources	$1,356	Total Uses	$1,356

c. Combined Company Sources and Uses of Cash

(i) *Cash from 1.5 Lien Term Loan Lenders* – Assumes cash contribution of $80 million in exchange for Combined Company 1.5 Lien Term Loan.

(ii) *Blackhawk Cash* – Assumes Blackhawk cash balance of $30 million.

(iii) *Rights Offering Proceeds* – Assumes $13.5 million of cash proceeds from the Rights Offering.

(iv) *3rd Party Investment* – Assumes $43 million of cash proceeds that, along with the Rights Offering Proceeds, will purchase select tranches of Blackhawk debt.

Sources and Uses of Cash ($ in millions)			
Sources		**Uses**	
Cash from 1.5 Lien Term Loan Lenders	$80	Purchase Select Tranches of Blackhawk Debt	$57
Blackhawk Cash	30	Cash to Combined Company	80
Rights Offering Proceeds	14	Cash for Debtors	30
3rd Party Investment	43		
Total Sources	$167	Total Uses	$167

d. Combined Company Pro Forma Capitalization

Pro Forma Capitalization				
	Maturity	Rate	Amount	2016E Leverage
ABL	4 years	TBD	$44	
First Lien Term Loan (B-1)	5 years	13.5% cash	330	
First Lien Term Loan (B-2)	5 years	14.5% cash	71	
Total through First Lien			**$445**	**2.7x**
1.5 Lien	5 years	5% cash and 7% PIK	115	
Total through 1.5 Lien			**$560**	**3.3x**
Second Lien Term Loan	5.5 years	2.0% cash and 6.5% PIK in year 1 2.5% cash and 6.5% PIK in year 2 3.5% cash and 6.5% PIK in year 3 4.5% cash and 6.5% PIK in year 4 5.5% cash and 6.5% PIK in year 5 6.5% cash and 6.5% PIK in year 6	229	
Total Through Second Lien			**$789**	**4.7x**
Unsecured Notes	6 years	2% PIK	15	
Total Debt			**$804**	**4.8x**
(Less): Cash			(80)	
Total Net Debt			**$724**	**4.3x**

III. Comparison to Financial Projections in Third Amended Disclosure Statement

Increase/(Decrease) vs Financial Projections in Third Amended Dislosure Statement ($ in millions)						
	Closing	4Q 2015	2016	2017	2018	2019
Total Tons Sold (000s)		0	(925)	(375)	(400)	0
Total Sales		$0	($45)	($86)	($132)	($177)
Realization per ton ($/ton)		*$–*	*$0.75*	*($2.49)*	*($4.06)*	*($6.95)*
Total Production Costs		$2	($15)	($8)	($11)	($11)
Total Production Costs per ton ($/ton)		*$0.38*	*$1.82*	*$0.46*	*$0.36*	*($0.43)*
SG&A		($2)	($5)	($7)	($7)	($7)
Total Costs		**$0**	**($20)**	**($15)**	**($18)**	**($18)**
Total Costs per ton ($/ton)		*$0.06*	*$1.61*	*$0.17*	*$0.10*	*($0.72)*
Adjusted EBITDA		$0	($25)	($71)	($114)	($159)
Capital Expenditures		0	(16)	(17)	(17)	(16)
Change in Net Working Capital		9	(3)	(6)	(5)	(6)
Capital Lease Payments		--	--	--	--	--
Cash Flow before Debt Service		**($9)**	**($7)**	**($48)**	**($91)**	**($137)**

Combined Company Projections

Assuming Rejection of the Plan by Class 5 (Prepetition LC Facility Claims)

Financial Projections[1]

These financial projections (the "***Financial Projections***") for the Combined Company present, to the best of Blackhawk's and the Debtors' knowledge and belief, the Combined Company's expected financial position, results of operations and cash flows for the projection period. The assumptions and notes to the Financial Projections (the "***Notes***") disclosed herein are those that Blackhawk and the Debtors believe are significant to the Financial Projections. Because events and circumstances frequently do not occur as expected, there will be differences between the projected and actual results. These differences may be material to the Financial Projections herein.

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[1] Capitalized terms used but not defined herein shall have the meanings set forth in the Disclosure Statement. To the extent that a definition of a term in the text of this Exhibit E to the Disclosure Statement and the definition of such term in the Disclosure Statement is inconsistent, the definition included in the Disclosure Statement shall control.

of the Debtors and Blackhawk, including the confirmation of the Plan on the presumed Effective Date, the continuing availability of sufficient borrowing capacity or other financing to fund operations, achieving operating efficiencies, relationship and terms with vendors and trade creditors, cost and availability of raw materials and energy, terms and conditions of new credit facilities (if any), maintaining good employee relations, existing and future governmental regulations and actions of governmental bodies, general economic conditions in the markets in which the Debtors operate, industry specific risk factors (including as detailed in Article X of the Disclosure Statement) and other market and competitive conditions. Holders of Claims and Interests are cautioned that the forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and the Debtors and Blackhawk undertake no obligation to update any such statements.

ALTHOUGH EVERY EFFORT WAS MADE TO BE ACCURATE, THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION, THE FINANCIAL ACCOUNTING STANDARDS BOARD, THE INTERNATIONAL FINANCIAL REPORTING STANDARDS OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION REGARDING PROJECTIONS. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY THE DEBTORS' OR BLACKHAWK'S INDEPENDENT CERTIFIED ACCOUNTANTS. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE PROJECTIONS ARE BASED ON A VARIETY OF ASSUMPTIONS, WHICH MAY NOT BE REALIZED, AND WHICH ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, WHICH ARE BEYOND THE CONTROL OF THE DEBTORS AND BLACKHAWK. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY ANY OF THE DEBTORS, BLACKHAWK OR ANY OTHER PERSON THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN REACHING THEIR DETERMINATIONS OF WHETHER TO ACCEPT OR REJECT THE PLAN.

III. Key Assumptions

a. Combined Company Projected Consolidated Statement of Operations

(i) *Total Tons Sold* – Projected tons sold are the aggregation of both contracted and uncontracted tons expected to be sold. Total tons sold are projected to increase over the Projection Period.

1. *Contracted Tons* – Tons to be sold for which buyers have already entered contracts.

2. *Uncontracted Tons* – Tons to be sold for which buyers have yet to enter contracts and selling prices yet to be determined.

Tons Sold (000s)					
	4Q 2015	2016	2017	2018	2019
Contracted Tons	2,756	3,706	3,270	1,200	--
Uncontracted Tons	2,467	14,996	21,548	24,742	25,449
Total Tons	5,223	18,702	24,818	25,942	25,449
Contracted Tons %	*53%*	*20%*	*13%*	*5%*	*–%*
Uncontracted Tons %	*47%*	*80%*	*87%*	*95%*	*100%*

(ii) *Total Sales* – Comprises primarily revenue from coal sales, based on forecasted future pricing for each of Combined Company's various coal qualities. Sales are based upon estimates of currently contracted sales, projected uncontracted tons sold and forecasted pricing at each mining complex.

(iii) *Total Production Costs* – Production costs associated with the Combined Company's mining of coal. Production cost per ton is forecasted to decrease as a result of improved operating efficiency.

(iv) *Selling, General and Administrative Expenses ("SG&A")* – SG&A expenses include all expenses related to corporate management and joint facility functions. SG&A expenses are expected to increase in 2017 and then remain relatively constant.

(v) *Capital Expenditures* – Capital expenditures comprise cash outflows primarily for continued investment in mine development, mining equipment and maintenance costs.

(vi) *Capital Lease Payments* – Capital lease payments comprise both principal and interest payments associated with Blackhawk capital leases.

(vii) *Cash Interest* – Post-emergence cash interest related to the Combined Company Debt Facilities as set forth in the Disclosure Statement.

(viii) *Mandatory Amortization Payments* – Includes 1.0% annual amortization payments on Combined Company First Lien Term Loan and Combined Company 1.5 Lien Term Loan beginning in 2017.

(ix) *Excess Cash Flow Sweep* – Pursuant to terms of the Combined Company First Lien Term Loan and Combined Company 1.5 Lien Term Loan, assumes the Combined Company is subject to an excess cash flow sweep beginning in 2017. Amount of sweep is contingent on net leverage.

(x) *Beginning Cash* – Assumes $80 million of cash post-closing contributed from Blackhawk and proceeds from the Combined Company 1.5 Lien Term Loan.

(xi) *Total First Lien Debt* – Includes Combined Company New ABL and Combined Company First Lien Term Loan. Assumes total amount of DIP Claims is $109 million, total amount of funded L/Cs under the Prepetition LC

Facility and Prepetition ABL Facility is $236 million (net of $7 million in L/Cs that the Debtors anticipate will be returned prior to a transaction) and total amount of Blackhawk debt is $263 million. Excludes capital leases and equipment financing.

(xii) *Total Debt through 1.5 Lien* – Includes Total First Lien Debt and Combined Company 1.5 Lien Term Loan.

(xiii) *Total Secured Debt* – Includes Total Debt through 1.5 Lien and Combined Company Second Lien Term Loan.

(xiv) *Total Debt* – Includes Total Secured Debt and Combined Company Unsecured Notes.

Combined Company Operating Summary and Credit Metrics ($ in millions)						
	Closing	4Q 2015	2016	2017	2018	2019
Total Tons Sold (000s)		5,223	18,702	24,818	25,942	25,449
Total Sales		$330	$1,204	$1,552	$1,632	$1,641
Realization per ton ($/ton)		*$63.17*	*$64.38*	*$62.55*	*$62.91*	*$64.50*
Total Production Costs		($280)	($1,022)	($1,295)	($1,335)	($1,314)
Total Production Costs per ton ($/ton)		*$53.7*	*$54.6*	*$52.2*	*$51.5*	*$51.6*
SG&A		($5)	($15)	($18)	($18)	($18)
Total Costs		**($285)**	**($1,037)**	**($1,312)**	**($1,353)**	**($1,332)**
Total Costs per ton ($/ton)		*($54.6)*	*($55.4)*	*($52.9)*	*($52.1)*	*($52.3)*
Adjusted EBITDA		$45	$167	$240	$279	$309
Capital Expenditures		(26)	(82)	(92)	(96)	(93)
Change in Net Working Capital		(2)	(1)	(2)	(4)	(5)
Capital Lease Payments		(4)	(14)	(12)	(13)	--
Cash Flow before Debt Service		**$13**	**$71**	**$134**	**$166**	**$212**
Cash Interest		(18)	(71)	(71)	(73)	(76)
Mandatory Amortization		--	--	(5)	(5)	(5)
Excess Cash Flow Sweep		--	--	--	--	--
Net Free Cash Flow		**($5)**	**($0)**	**$58**	**$88**	**$131**
Beginning Cash		$80	$75	$75	$133	$222
Ending Cash	$80	75	75	133	222	353
Total First Lien Debt	$445	$445	$445	$440	$436	$431
Net First Lien Debt	365	370	370	307	214	79
Total Debt through 1.5 Lien	$560	$562	$570	$573	$577	$581
Net Debt through 1.5 Lien	480	487	495	440	355	228
Total Secured Debt	$752	$756	$774	$787	$802	$817
Total Net Secured Debt	672	681	699	654	580	465
Total Debt	$767	$771	$789	$803	$818	$834
Total Net Debt	687	696	714	670	596	481
Total First Lien Debt / EBITDA		2.5x	2.7x	1.8x	1.6x	1.4x
Total First Lien Net Debt / EBITDA		2.1x	2.2x	1.3x	0.8x	0.3x
Total Debt through 1.5 Lien / EBITDA		3.1x	3.4x	2.4x	2.1x	1.9x
Net Debt through 1.5 Lien / EBITDA		2.7x	3.0x	1.8x	1.3x	0.7x
Total Secured Debt / EBITDA		4.2x	4.6x	3.3x	2.9x	2.6x
Total Net Secured Debt / EBITDA		3.8x	4.2x	2.7x	2.1x	1.5x
Total Debt / EBITDA		4.3x	4.7x	3.3x	2.9x	2.7x
Total Net Debt / EBITDA		3.9x	4.3x	2.8x	2.1x	1.6x
EBITDA / Cash Interest		2.6x	2.4x	3.4x	3.8x	4.1x
(EBITDA – Capex) / Cash Interest		1.1x	1.2x	2.1x	2.5x	2.9x

b. Combined Company Sources and Uses of Debt

(i) *New ABL* – Includes Combined Company New ABL. Assumes total amount of funded L/Cs under the Prepetition ABL Facility is $44 million (net of $0.6 million in L/Cs that the Debtors anticipate will be returned prior to a transaction).

(ii) *New First Lien Term Loan (B-1)* – Includes Combined Company First Lien Tranche B-1 Term Loan.

(iii) *New First Lien Term Loan (B-2)* – Includes Combined Company First Lien Tranche B-2 Term Loan.

(iv) *New 1.5 Lien Debt* – Includes Combined Company 1.5 Lien Term Loan. Assumes Combined Company 1.5 Lien Term Loan Lenders receive $115 million in Combined Company 1.5 Lien Term Loan in exchange for $80 million cash contribution.

(v) *New Second Lien Term Loan* – Includes Combined Company Second Lien Term Loan.

(vi) *New Unsecured Notes* – Includes Combined Company Unsecured Notes.

(vii) *Patriot DIP* – Assumes DIP Claims of $109 million.

(viii) *OID on Patriot DIP* – Assumes additional $6 million consideration to DIP Claims in the form of Original Issue Discount ("OID").

(ix) *Patriot ABL* – Includes L/Cs under the Prepetition ABL Facility of $44 million (net of $0.7 million in L/Cs that the Debtors anticipate will be returned prior to a transaction)

(x) *Patriot L/C Facility* – Includes L/Cs under the Prepetition LC Facility of $192 million (net of $6.2 million in L/Cs that the Debtors anticipate will be returned prior to a transaction).

(xi) *1.5 Lien Debt Issued to Combined Company 1.5 Lien Term Loan Lenders* – Includes $80 million of Combined Company 1.5 Lien Term Loan issued to Combined Company 1.5 Lien Term Loan Lenders; excludes OID.

(xii) *OID on Combined Company 1.5 Lien Term Loan* – Assumes additional $35 million of Combined Company 1.5 Lien Term Loan issued to Combined Company 1.5 Lien Term Loan Lenders in the form of OID.

(xiii) *Blackhawk Debt* – Assumes $263 million of existing Blackhawk debt. Excludes capital leases and equipment financing.

(xiv) *OID to Blackhawk* – Assumes additional $60 million of Combined Company Debt Facilities issued to Blackhawk debt in the form of OID.

Sources and Uses of Debt ($ in millions)			
Sources		**Uses**	
New ABL	$44	DIP Facility	$109
New First Lien Term Loan (B-1)	330	OID on DIP Facility	6
New First Lien Term Loan (B-2)	71	Prepetition ABL	44
New 1.5 Lien Debt	115	Prepetition LC Facility	192
New Second Lien Term Loan	192	Prepetition Term Loan Facility	247
New Unsecured Notes	15	Prepetition Notes	306
Cancellation of Preptition LC Facility	37	Unsecured Notes Issued to Prepetition General Unsecured Claims	15
Cancellation of Prepetition Term Loan Facility	247	1.5 Lien Debt Issued to Combined Company 1.5 Lien Term Loan Lenders	80
Cancellation of Prepetition Notes	306	OID on Combined Company 1.5 Lien Term Loan	35
		Blackhawk Debt	263
		OID to Blackhawk	60
Total Sources	$1,356	Total Uses	$1,356

c. Combined Company Sources and Uses of Cash

(i) *Cash from 1.5 Lien Term Loan Lenders* – Assumes cash contribution of $80 million in exchange for Combined Company 1.5 Lien Term Loan.

(ii) *Blackhawk Cash* – Assumes Blackhawk cash balance of $30 million.

(iii) *Rights Offering Proceeds* – Assumes $13.5 million of cash proceeds from the Rights Offering.

(iv) *3rd Party Investment* – Assumes $43 million of cash proceeds that, along with the Rights Offering Proceeds, will purchase select tranches of Blackhawk debt.

Sources and Uses of Cash ($ in millions)			
Sources		**Uses**	
Cash from 1.5 Lien Term Loan Lenders	$80	Purchase Select Tranches of Blackhawk Debt	$57
Blackhawk Cash	30	Cash to Combined Company	80
Rights Offering Proceeds	14	Cash for Debtors	30
3rd Party Investment	43		
Total Sources	$167	Total Uses	$167

d. Combined Company Pro Forma Capitalization

Pro Forma Capitalization				
	Maturity	Rate	Amount	2016E Leverage
ABL	4 years	TBD	$44	
First Lien Term Loan (B-1)	5 years	13.5% cash	330	
First Lien Term Loan (B-2)	5 years	14.5% cash	71	
Total through First Lien			**$445**	**2.7x**
1.5 Lien	5 years	5% cash and 7% PIK	115	
Total through 1.5 Lien			**$560**	**3.3x**
Second Lien Term Loan	5.5 years	2.0% cash and 5% PIK in year 1	192	
		2.0% cash and 5% PIK in year 2		
		3.0% cash and 5% PIK in year 3		
		4.0% cash and 5% PIK in year 4		
		5.0% cash and 5% PIK in year 5		
		6.0% cash and 5% PIK in year 6		
Total Through Second Lien			**$752**	**4.5x**
Unsecured Notes	6 years	2% PIK	15	
Total Debt			**$767**	**4.6x**
(Less): Cash			(80)	
Total Net Debt			**$687**	**4.1x**

III. Comparison to Financial Projections in Third Amended Disclosure Statement

Increase/(Decrease) vs Financial Projections in Third Amended Dislosure Statement ($ in millions)						
	Closing	4Q 2015	2016	2017	2018	2019
Total Tons Sold (000s)		0	(925)	(375)	(400)	0
Total Sales		$0	($45)	($86)	($132)	($177)
Realization per ton ($/ton)		*$–*	*$0.75*	*($2.49)*	*($4.06)*	*($6.95)*
Total Production Costs		$2	($15)	($8)	($11)	($11)
Total Production Costs per ton ($/ton)		*$0.38*	*$1.82*	*$0.46*	*$0.36*	*($0.43)*
SG&A		($2)	($5)	($7)	($7)	($7)
Total Costs		**$0**	**($20)**	**($15)**	**($18)**	**($18)**
Total Costs per ton ($/ton)		*$0.06*	*$1.61*	*$0.17*	*$0.10*	*($0.72)*
Adjusted EBITDA		$0	($25)	($71)	($114)	($159)
Capital Expenditures		0	(16)	(17)	(17)	(16)
Change in Net Working Capital		9	(3)	(6)	(5)	(6)
Capital Lease Payments		--	--	--	--	--
Cash Flow before Debt Service		**($9)**	**($7)**	**($48)**	**($91)**	**($137)**

EXHIBIT S

Blackhawk APA

EXECUTION COPY

SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

This Second Amendment Agreement (this "**Amendment**") is made and entered into as of October 7, 2015, by and among Blackhawk Mining LLC, a Kentucky limited liability company ("**Buyer**"), Patriot Coal Corporation, a Delaware corporation ("**Patriot**"), the Subsidiaries (as hereinafter defined) of Patriot that are set forth on Schedule A of the Asset Purchase Agreement (as defined below) (collectively, the "**Patriot Subsidiaries**", and together with Patriot, the "**Sellers**") and Patriot, as Sellers' Representative ("**Sellers' Representative**").

A. Buyer, Sellers and Sellers' Representative have entered into that certain Asset Purchase Agreement dated as of June 22, 2015 (as the same was amended by that certain First Amendment Agreement, dated as of August 31, 2015, by and among Buyer, Sellers and Sellers' Representative, and as the same may be further amended, supplemented or otherwise modified from time to time, the "**Asset Purchase Agreement**"). Capitalized terms not otherwise defined herein have the respective meanings given to such terms in the Asset Purchase Agreement.

B. Section 12.03 of the Asset Purchase Agreement provides that the Asset Purchase Agreement may be amended by a written instrument signed by each of the parties to the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. **Amendments**.

1.1 The definition of "Transaction Debt Financing" in Section 1.01 of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

""**Transaction Debt Financing**" means the debt financings of Buyer pursuant to the First Lien Term Loan, the 1.5 Lien Term Loan, the Second Lien Term Loan and the New ABL."

1.2 The following defined terms are hereby deleted from Section 1.01(a) of the Asset Purchase Agreement:

"**Term**	**Section**
Allocation	2.06(d)
Allocation Statement	2.06(d)
Backstop Parties	2.06(b)
Blackhawk Funded Debt	2.06(a)(i)
DIP/LC Improvement	2.06(a)
First Lien L/C Facility	2.06(a)
First Lien Term Loan	2.06(a)
First Lien Rights Offering	10.01(d)

Purchase	2.06(b)
Purchase Price	2.06(c)
Rights Offering Backstop Parties	10.01(d)
Second Lien PIK Loan	2.06(b)
Second Lien Rights Offering	10.01(d)"

1.3 The following defined terms are hereby added to Section 1.01(a) of the Asset Purchase Agreement:

"**Term**	**Section**
1.5 Lien Class B Units	2.06(c)
1.5 Lien Lenders	2.06(c)
1.5 Lien Term Loan	2.06(c)
Exit Funds	2.06(c)
Allocation	2.06(f)
Allocation Statement	2.06(f)
Blackhawk Funded Debt	2.06(b)(i)
First Lien Term Loan	2.06(b)
First Lien Tranche B-1 Term Loan	2.06(b)
First Lien Tranche B-2 Term Loan	2.06(b)
First Lien Tranche B Term Loans	2.06(b)
Purchase Price	2.06(e)
Rights Offering	2.06(b)(i)(B)
Second Lien Term Loan	2.06(d)
Unsecured Note	2.06(e)"

1.4 Notwithstanding anything in the Asset Purchase Agreement to the contrary, the parties hereto acknowledge and agree that the Disclosure Schedules are hereby revised as set forth in the updated Disclosure Schedules attached to this Amendment as Exhibit A and that, for the avoidance of doubt, the Sellers, pursuant to Section 2.05(a) of the Asset Purchase Agreement, shall be solely responsible for paying all Cure Costs with respect to any Assumed Contract added to Schedule 2.01(e) and any Assumed Lease added to Schedule 3.06(a)(i) since September 4, 2015.

1.5 Section 2.06 of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"**Section 2.06 Purchase Price; Allocation of Purchase Price**. On the terms and subject to the conditions set forth in this Agreement, Buyer shall, as consideration for the Purchased Assets, in addition to the assumption by Buyer of the Assumed Liabilities:

(a) Enter into a new senior secured first lien ABL facility (the "***New ABL***") based on the terms set forth on Exhibit E and on terms and conditions reasonably

acceptable to the Existing Patriot ABL Agent, in an aggregate principal amount of up to $100,000,000, which shall be allocated to:

(i) with respect to all indebtedness related to the Existing Patriot ABL Drawn LCs and all other unpaid Secured Obligations under (and as defined in) the Existing Patriot ABL Facility (other than as contemplated by the immediately following clause (ii)), permit Buyer to assume such amounts from Patriot and convert such indebtedness and all other unpaid Secured Obligations (as defined in the Existing Patriot ABL Facility) into loans drawn under the New ABL on a dollar-for-dollar basis; and

(ii) with respect to each Existing Patriot ABL Undrawn LC:

(A) replace such Existing Patriot ABL Undrawn LC with letter(s) of credit issued (or deemed issued) under the New ABL (*provided*, that as a condition to such replacement being effective for purposes of this Section 2.06(a)(ii), each Existing Patriot ABL Undrawn LC to be considered so replaced shall have been returned to the issuer thereof undrawn or otherwise cancelled in a manner reasonably acceptable to the issuer of such Existing Patriot ABL Undrawn LC); and/or

(B) have such Existing Patriot ABL Undrawn LC be deemed a letter of credit issued under the New ABL in an equal stated face amount;

in an aggregate amount with respect to such drawn amounts under the Existing Patriot ABL Drawn LCs and undrawn amounts under the Existing Patriot ABL Undrawn LCs pursuant to clauses (A) and (B), respectively, not to exceed $44,263,955 (plus any unpaid accrued interest, letter of credit fees, and unpaid reasonable fees and expenses as of the Closing Date, to the extent not paid pursuant to the Final DIP Order or the Existing Patriot DIP Facility).

(b) Enter into a new senior secured first lien term loan facility with, at the option of Buyer, (x) (1) a term loan tranche (the "***First Lien Tranche B-1 Term Loan***") in an aggregate principal amount of up to $329,800,000, and (2) a term loan tranche (the "***First Lien Tranche B-2 Term Loan***" and, together with the First Lien Tranche B-1 Term Loan, the "***First Lien Tranche B Term Loans***") in an aggregate principal amount of up to $71,400,000 or (y) a term loan tranche in an aggregate principal amount of up to $401,200,000 (the "***First Lien Single Tranche Term Loan***" and, together with the First Lien Tranche B Term Loans, the "***First Lien Term Loan***"), in each case, based on the terms set forth on Exhibit F, which shall be allocated as follows:

(i) to refinance or otherwise repurchase Existing Blackhawk Indebtedness (the "***Blackhawk Funded Debt***") with the First Lien Term Loan in an amount not to exceed $286,400,000, which shall be allocated as follows:

(A) Buyer shall refinance a portion of the Blackhawk Funded Debt with the First Lien Tranche B-1 Term Loan or, at the option of

Buyer, First Lien Single Tranche Term Loan, in an amount not to exceed $215,000,000;

(B) Buyer shall issue up to $71,400,000 principal amount of the First Lien Tranche B-2 Term Loan or, at the option of Buyer, First Lien Single Tranche Term Loan (together with the issuance of up to $37,000,000 of Second Lien Term Loan pursuant to Section 2.06(d)(ii)) in exchange for $59,600,000 in cash, $57,100,000 of which shall be used by Buyer to purchase certain Existing Blackhawk Indebtedness of JR Acquisition LLC; *provided*, that, pursuant to the terms of the rights offering contemplated by Exhibit G (the "***Rights Offering***"), holders of indebtedness under the Existing Patriot LC Facility and Existing Patriot First Lien Term Loan may purchase, in the aggregate, $16,875,000 of First Lien Tranche B-2 Term Loan, or, at the option of Buyer, First Lien Single Tranche Term Loan, and $9,250,000 of Second Lien Term Loan; and

(ii) to Patriot to enable Patriot to repay indebtedness under the Existing Patriot DIP Facility with the First Lien Tranche B-1 Term Loan, or, at Buyer's option, First Lien Single Tranche Term Loan, and in an amount not to exceed $114,800,000, such amount to be adjusted to reflect additional interest accrued for periods occurring after November 1, 2015 until the Closing Date in the event that neither Party elects to terminate this Agreement pursuant to Section 11.01(b).

(c) (x) Enter into a new senior secured first lien term loan facility with a term loan tranche (the "***1.5 Lien Term Loan***"), in an aggregate principal amount of up to $115.0 million based on the terms set forth on Exhibit F, which will be payment subordinated to the First Lien Term Loan, and (y) issue Class B Units representing, in the aggregate, 35% of the equity of the Combined Company (the "***1.5 Lien Class B Units***"), which, in the case of clauses (x) and (y) shall be allocated to certain funds and/or accounts managed or advised by Knighthead Capital Management, LLC, Caspian Capital LP on behalf of its advisees, and Davidson Kempner Capital Management LP, on behalf of funds and accounts managed by it (including Midtown Acquisitions L.P.) (the "***1.5 Lien Lenders***"), and the 1.5 Lien Lenders shall, as consideration therefore, pay $80.0 million in cash to Buyer; provided, however, to the extent required by Patriot, as of the Closing, to fund its exit from Chapter 11, Buyer shall pay, from the proceeds of the issuance of the 1.5 Lien Term Loan and the 1.5 Lien Class B Units, $32.5 million to Patriot as consideration for a portion of the Purchased Assets (the "***Exit Funds***"). The Exit Funds shall be held by Patriot in a segregated account and solely applied by Patriot in accordance with a budget mutually agreed upon by Buyer and Patriot or approved by the Bankruptcy Court (and Patriot shall provide Buyer monthly updates with respect to the Exit Funds, including a reconciliation to such exit budget), and in the order of priority, as follows: (i) first, to pay or reserve Allowed Cure Costs (each as defined in the Plan) with respect to the Purchased Assets and to fund the segregated account contemplated by Section 2.07, solely to the extent such Allowed Cure Costs or the obligations of Patriot pursuant to Section 2.07 have not been paid in full using Patriot's existing funds on or prior to the Closing; and (ii) second, to pay Allowed Administrative Expenses (each as defined in the Plan), claims authorized to be paid pursuant to order of

the Bankruptcy Court and other claims consistent with the budget or as agreed to by Buyer. In the event that any Exit Funds remain in such segregated account after the payments contemplated by clauses (i) and (ii) in the immediately preceding sentence, Patriot shall promptly pay such remaining Exit Funds to Buyer upon the closing, conversion or dismissal of the Bankruptcy Case.

(d) Enter into a senior secured second lien term loan facility (the "***Second Lien Term Loan***") in an aggregate principal amount not to exceed $229,238,375.55, based on the terms set forth on Exhibit H, which shall be allocated as follows:

(i) to Patriot to enable Patriot to repay indebtedness with respect to amounts drawn under the Existing Patriot LC Facility with the Second Lien Term Loan, not to exceed $155,000,000; *provided, however*, that in the event the holders of indebtedness under the Existing Patriot LC Facility, as a class, vote to accept the Plan, the amount of Second Lien Term Loan allocated to Patriot to enable Patriot to repay indebtedness with respect to amounts drawn under the Existing Patriot LC Facility pursuant to this Section 2.06(d)(i) shall be increased to $192,238,375.55; and

(ii) Buyer shall issue up $37,000,000 principal amount of the Second Lien Term Loan (together with the issuance of up to $71,400,000 of First Lien Tranche B-2 Term Loan or, at the option of Buyer, First Lien Single Tranche Term Loan pursuant to Section 2.06(b)(i)(B)) in exchange for $59,600,000 in cash, $57,100,000 of which shall be used by Buyer to repurchase certain Existing Blackhawk Indebtedness of JR Acquisition LLC; *provided*, that, pursuant to the terms of the Rights Offering, holders of indebtedness under the Existing Patriot LC Facility and Existing Patriot First Lien Term Loan may purchase, in the aggregate, $16,875,000 of First Lien Tranche B-2 Term Loan, or, at the option of Buyer, First Lien Single Tranche Term Loan, and $9,250,000 of Second Lien Term Loan.

(e) Issue an unsecured note in an aggregate principal amount not to exceed $15,000,000 (the "**Unsecured Note**") on terms to be determined by Buyer (which such terms, for the avoidance of doubt, shall provide that the Unsecured Note shall be prepayable without any premiums or fees) to Patriot to enable Patriot to repay the holders of General Unsecured Claims (as defined in the Plan) in accordance with the Plan.

(collectively, the "**Purchase Price**"). The Purchase Price shall be paid as provided in Section 2.10.

(f) Within one hundred and eighty (180) days following the Closing Date, Buyer shall deliver to Sellers' Representative a statement (the "**Allocation Statement**"), allocating the Purchase Price that was delivered to Patriot pursuant to Section 2.06 (plus Assumed Liabilities, to the extent properly taken into account under Section 1060 of the Code) among the Purchased Assets in accordance with Section 1060 of the Code and the U.S. Treasury regulations thereunder (and any similar provision of state, local or non-U.S. law, as appropriate), as of the Closing Date (the "**Allocation**"). The Allocation shall

be considered final and binding on the parties, unless, within 30 days after the delivery of the Allocation Statement, Sellers' Representative notifies Buyer that it has a good faith objection to the Allocation set forth in the Allocation Statement. If Sellers' Representative makes such an objection, Buyer and Sellers' Representative shall work in good faith to resolve such dispute within twenty (20) days from the date Sellers' Representative delivers the objection to Buyer. In the event that Buyer and Sellers' Representative are unable to resolve such dispute within the twenty (20) day period, the issue(s) in dispute will be submitted to the Independent Accounting Firm for resolution. The determination of the Independent Accounting Firm shall be final, binding, and conclusive on the Parties. Buyer, on the one hand, and the Sellers, on the other hand, shall each bear fifty (50%) of the fees and expenses of the Independent Accounting Firm. In the event of any adjustments to the Purchase Price, the Parties shall cooperate to adjust the Allocation in accordance with the principles of this Section 2.06(f).

(g) The Sellers and Buyer agree to (i) be bound by the Allocation (as determined pursuant to clause (f) above) for purposes of determining Taxes and (ii) act in accordance with the Allocation in the preparation, filing and audit of any Tax Return (including filing Form 8594 with their U.S. federal income Tax Returns for the taxable year that includes the Closing Date); *provided*, *however*, that nothing contained herein shall prevent Buyer or the Sellers from settling any proposed deficiency or adjustment by any Taxing Authority based upon or arising out of the Allocation, and neither Buyer nor the Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any Taxing Authority challenging such Allocation."

1.6 Section 2.10(j) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(j) the fully executed definitive documentation for the First Lien Term Loan, the 1.5 Lien Term Loan, the New ABL and the Second Lien Term Loan; and"

1.7 The following sentence in Section 2.10 of the APA is hereby deleted in its entirety: "In addition, at the Closing, Buyer shall deliver the Class B Units pursuant to the Second Lien Rights Offering."

1.8 The reference to "First Lien L/C Facility" and "Second Lien PIK Loan" in Section 6.05 of the Asset Purchase Agreement is hereby reformed to read "1.5 Lien Term Loan" and "Second Lien Term Loan", respectively.

1.9 The following is hereby added as a new Section 7.12 of the Asset Purchase Agreement:

"**Section 7.12 Cooperation**. Notwithstanding anything in this Agreement to the contrary, the parties hereto agree to cooperate and take all reasonably appropriate or necessary actions to structure the transactions contemplated by Section 2.06 in a manner that reduces the adverse tax consequences to Buyer and its members, including, making any reasonably appropriate or necessary revisions to the provisions of Section 2.06 to accomplish this purpose."

1.10 The reference to "Class B Units" in Section 8.01(e) of the Asset Purchase Agreement is hereby deleted and replaced with "1.5 Lien Class B Units".

1.11 Section 10.01(b) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(b) (i) The refinancing or roll over of certain of the Blackhawk Funded Debt (into First Lien Tranche B-1 Term Loan or, at Buyer's options, First Lien Single Tranche Term Loan) and the satisfaction of all other Blackhawk Funded Debt as contemplated by Section 2.06(b)(i)(B) and Section 2.06(d)(ii), (ii) the refinancing or roll over of the Existing Patriot DIP Facility (into First Lien Tranche B-1 Term Loan or, at Buyer's option, First Lien Single Tranche Term Loan) and the Existing Patriot LC Facility (into Second Lien Term Loan as contemplated by Section 2.06(d)(i)); (iii) the conversion, replacement or other arrangements with respect to the Existing Patriot ABL Undrawn LCs, the Existing Patriot ABL Drawn LCs and the other Secured Obligations (as defined in the Existing Patriot ABL Facility) as contemplated by Section 2.06(a); and (iv) the refinancing or roll over of General Unsecured Claims (as defined in the Plan) into the Unsecured Note as contemplated by Section 2.06(e), in each case shall have occurred;"

1.12 Section 10.01(c) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(c) The 1.5 Lien Class B Units and the 1.5 Lien Term Loan shall have been issued;"

1.13 Section 10.01(d) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(d) Buyer shall have received at least $59.6 million in cash in return for the issuance of First Lien Tranche B-2 Term Loan, or, at Buyer's option, First Lien Single Tranche Term Loan, and Second Lien Term Loan as contemplated by Section 2.06(b)(i)(B) and Section 2.06(d)(ii); and"

1.14 The following is hereby added as a new Section 10.01(f) of the Asset Purchase Agreement:

"(f) The Combined Company shall have received $80 million in cash as contemplated by Section 2.06(c)."

1.15 The reference to "September 24, 2015" in Section 10.02(g) of the Asset Purchase Agreement is hereby reformed to read "October 8, 2015".

1.16 The following are hereby added as a new Section 10.02(m), a new Section 10.02(n) and a new Section 10.02(o) of the Asset Purchase Agreement:

"(m) The auction for the Purchased Assets contemplated by the Bidding Procedures Order shall have commenced on September 21, 2015 and shall have concluded by 5:00 pm New York City time on September 22, 2015.

(n) The Bankruptcy Court shall have entered a revised Disclosure Statement Order, in form and substance reasonably acceptable to Buyer, by no later than October 8, 2015, which date Buyer may waive or extend in its sole discretion, and such order shall be a Final Order.

(o) Any and all objections relating to the transfer, or acquisition by Buyer, of the Purchased Assets as contemplated by this Agreement shall have been withdrawn or overruled by order of the Bankruptcy Court containing such terms as are reasonably acceptable to Buyer, which such order shall be a Final Order."

1.17 Section 11.01(b) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(b) by either the Sellers or Buyer if the Closing shall not have been consummated on or before October 9, 2015 (the "**End Date**"); *provided*, that, in the event Buyer is named the Winning Bidder (as defined in the Bidding Procedures Order) for the Purchased Assets in accordance with the Bidding Procedures Order, the End Date shall automatically be extended to October 23, 2015; *provided*, *however*, that at the time of such termination, the Party seeking to terminate shall not be in material breach of its obligations under this Agreement such that the conditions to Closing of other Party would not be satisfied, including such first Party's obligation to consummate the Closing on the terms and subject to the conditions set forth herein;"

1.18 Section 11.01(h) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(h) by Buyer if (i) a revised Disclosure Statement Order, in form and substance reasonably acceptable to Buyer, shall not have been entered on or before October 8, 2015 or (ii) the Confirmation Order shall not have been entered on or before October 8, 2015, or either such order shall have been stayed, vacated, reversed, modified or amended at any time in any respect without the prior written consent of Buyer given in its sole discretion;"

1.19 The definition of "Blackhawk Debt Rollover Failure" as defined in Section 11.02(b) of the Asset Purchase Agreement is hereby deleted and replaced with the following definition (which such definition is hereby added to Section 1.01 of the Asset Purchase Agreement), and all references to "Blackhawk Debt Rollover Failure" in the Asset Purchase Agreement shall mean the following:

""**Blackhawk Debt Rollover Failure**" means the failure of (a) the holders of the Blackhawk Funded Debt (other than the Crossover Holders and the holders of the Existing Blackhawk Indebtedness of JR Acquisition LLC) to agree to exchange their Blackhawk Funded Debt for debt in the form of the First Lien Term Loan and Buyer does not obtain new money debt financing (with respect to the portion of the First Lien Loan that is contemplated to re-finance such Blackhawk Funded Debt as of the Effective Date) on terms reasonably satisfactory to Buyer in its discretion (it being understood and agreed that the terms set forth on Exhibit F and Exhibit H, respectively, shall be deemed

satisfactory to Buyer) or (b) Buyer to purchase the Existing Blackhawk Indebtedness of JR Acquisition LLC (except to the extent such failure results from Buyer not having received at least $59.6 million in cash in return for the issuance of First Lien Tranche B-2 Term Loan, or, at Buyer's option, First Lien Single Tranche Term Loan, and Second Lien Term Loan as contemplated by Section 2.06(b)(i)(B) and Section 2.06(d)(ii))."

1.20 Exhibit E to the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"**EXHIBIT E**

BLACKHAWK MINING LLC
$100.0 MILLION ASSET-BASED REVOLVING CREDIT FACILITY
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Set forth below is a summary of the principal terms and conditions for the Revolving Credit Facility (as defined below). This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the Revolving Credit Facility (the "***Revolving Credit Documentation***"). Further, as the Revolving Credit Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the Revolving Credit Documentation for the final terms of the Revolving Credit Facility.

Borrower:	Blackhawk Mining LLC, a Kentucky limited liability company (the "***Borrower***").
Administrative Agent, Collateral Agent, Swingline Lender and Issuing Bank:	Deutsche Bank AG New York Branch ("***DBNY***") will act as sole administrative agent and collateral agent (in such capacities, the "***Administrative Agent***"), issuing bank ("***Issuing Bank***") and swingline lender ("***Swingline Lender***"), and will perform the duties customarily associated with such roles.
Sole Lead Arranger and Book-Running Manager:	Deutsche Bank Securities Inc. ("***DBSI***" or the "***Arranger***") will act as sole lead arranger and sole book-running manager for the Revolving Credit Facility, and will perform the duties customarily associated with such roles.
Lenders:	A syndicate of banks, financial institutions and other entities arranged by DBSI and reasonably acceptable to the Borrower (collectively, the "***Lenders***").
Type and Amount of Facility:	A revolving facility (the "***Revolving Credit Facility***") in an aggregate principal amount of up to $100.0 million, subject to Availability (as defined below) during the period from the Closing Date (as defined below) through

the Maturity Date, on terms and conditions to be set forth in the Revolving Credit Documentation.

Available Currency: The Revolving Credit Facility will be available in U.S. dollars only.

Purpose: Concurrently with the entry into the Revolving Credit Facility, the Borrower will (A) acquire certain reserves, equipment and other assets from Patriot Coal Corporation and/or its subsidiaries (collectively, "***Patriot***"), (B) enter into a senior secured first lien term loan facility with (i) term loan tranches in the aggregate principal amount of up to $401.2 million (the "***First Lien Term Loan Facility***") and (ii) a term loan tranche in the aggregate principal amount of $115 million (the "***1.5 Lien Term Loan Facility***" and together with the First Lien Term Loan Facility, the "***First Lien Facilities***"), which will be payment subordinated to the First Lien Term Loan Facility and (C) enter into a senior secured second lien term loan facility in the aggregate principal amount of up to $192.0 million (the "***Second Lien Term Loan Facility***"), in each case of clauses (B) and (C), the proceeds of which will be used as provided in the Asset Purchase Agreement, dated as of June 22, 2015 among the Borrower, Patriot Coal Corporation and the other parties thereto, as may be amended, amended and restated or otherwise modified from time to time. Following the Closing Date, the Revolving Credit Facility will be used by Borrower and its subsidiaries for working capital and general corporate purposes. A portion of the Revolving Facility may be used on the Closing Date to (i) refinance the Borrower's existing ABL Letter of Credit Agreement, (ii) refinance certain other existing indebtedness of the Borrower and (iii) to pay costs, fees and expenses incurred in connection with the foregoing. Additionally, letters of credit may be issued on the Closing Date in order to, among other things, backstop or replace letters of credit outstanding on the Closing Date (including by "grandfathering" such existing letters of credit in the Revolving Credit Facility) under facilities no longer available to the Borrower or its subsidiaries as of the Closing Date.

Maturity Date: The earlier of (i) the fourth anniversary of the Closing Date or (ii) 120 days prior to the maturity of any Material Indebtedness (to be defined in the Revolving Credit Documentation) (such earlier date, the "***Maturity Date***").

Availability: Upon satisfaction or waiver of conditions precedent to drawing to be specified in the Revolving Credit

Documentation, borrowings may be made at any time on or after the Closing Date to but excluding the business day preceding the Maturity Date. Availability under the Revolving Credit Facility (the "***Availability***") will be equal to the lesser of (1) the Borrowing Base (as defined below) and (2) the then effective commitments under the Revolving Credit Facility.

"***Borrowing Base***" shall mean the sum of:

(1) 85% of Eligible Accounts (to be defined in the Revolving Credit Documentation in a manner consistent with the existing ABL Letter of Credit Agreement),

plus

(2) the *lesser* of (a) 75% of the lesser of cost or fair market value of the Eligible Inventory (to be defined in the Revolving Credit Documentation in a manner consistent with the existing ABL Letter of Credit Agreement) or (b) 85% of the net orderly liquidation value of Eligible Inventory,

plus

(3) the amount of all cash and cash equivalents of the Borrower and the Guarantors from time to time on deposit in an account subject to a lien and account control agreement in favor of the Administrative Agent for the benefit of the Secured Parties (to be defined in the Revolving Credit Documentation); provided that (i) the Borrower may withdraw such cash and cash equivalents from the account to the extent there is sufficient Excess Availability after giving effect to such withdrawals and (ii) to the extent any such cash or cash equivalents are not held in an account at the Administrative Agent, the Administrative Agent may verify the amount of such cash or cash equivalents in such account in its Permitted Discretion,

minus

(4) appropriate reserves determined by the Administrative Agent from time to time in its Permitted Discretion (to be defined in the Revolving Credit Documentation in a manner consistent with the existing ABL Letter of Credit Agreement) based upon, but not limited to, the results of field examinations and audits to be performed by the

Administrative Agent and third party appraisals of the inventory.

"***Excess Availability***" shall mean, at any time, an amount equal to (1) the then effective Availability, minus (2) the aggregate revolving loans and participations in letters of credit and swingline loans then outstanding under the Revolving Credit Facility.

"***Specified Excess Availability***" shall mean, at any time, an amount equal to (1) the then effective Excess Availability, plus (2) the then effective Suppressed Availability.

"***Suppressed Availability***" shall mean, at any time, an amount equal to, if more than zero, (1) the Borrowing Base in effect at such time, minus (2) the aggregate then effective commitments under the Revolving Credit Facility.

The eligibility and reserve criteria to be utilized in the calculation of the Borrowing Base shall be determined in the Permitted Discretion of the Administrative Agent based upon periodic inventory appraisals, collateral examinations and other reasonable criteria.

The Borrowing Base shall be computed (and the Borrower shall be required to deliver a borrowing base certificate) on a monthly basis; provided that, if either (x) a default or an event of default has occurred and is continuing under the Revolving Credit Documentation, or (y) if Specified Excess Availability is less than the greater of (a) 20.0% of the lesser of (I) the aggregate commitments in respect of the Revolving Credit Facility and (II) the Borrowing Base (such lesser amount, the "***Line Cap***") and (b) $12.5 million, then the Borrowing Base shall be computed (and the Borrower shall be required to deliver a borrowing base certificate) on a weekly basis until the date on which, as applicable, in the case of clause (x), such default or event of default is cured or waived, or in the case of clause (y), Specified Excess Availability has been at least the greater of 20.0% of the Line Cap and $12.5 million for at least 30 consecutive calendar days.

Letters of Credit: Up to [$80.0 million] of the Revolving Credit Facility will be available for letters of credit, which may be issued from and after the Closing Date until the 30th day prior to the Maturity Date, on customary terms and conditions to be set forth in the Revolving Credit

Documentation. Each letter of credit shall expire not later than the earlier of (i) 12 months after its date of issuance and (ii) the fifth business day prior to the Maturity Date (the date specified in this clause (ii), the "***Letter of Credit Expiration Date***"); provided that, subject to the terms of the Revolving Credit Documentation, a letter of credit may provide that it shall automatically renew for additional periods of up to one year (but in any event not beyond the Letter of Credit Expiration Date).

Drawings under any letter of credit shall be reimbursed by Borrower on the same business day or, if notice is given later than a customary time to be agreed, within one business day following the date of such drawing. To the extent that Borrower does not reimburse the Issuing Bank on the same business day, the Lenders under the Revolving Credit Facility shall be irrevocably obligated to reimburse the Issuing Bank *pro rata* based upon their respective commitments.

The issuance of all letters of credit shall be subject to the customary procedures of the Issuing Bank.

Letters of credit may be issued on the Closing Date in order to backstop or replace letters of credit outstanding on the Closing Date under facilities being refinanced with the proceeds of the Revolving Credit Facility (and such existing letters of credit shall be deemed letters of credit outstanding under the Revolving Credit Facility).

Swingline Facility: Up to $5.0 million of the Revolving Credit Facility will be available for swingline borrowings from the Swingline Lender, on terms and conditions to be set forth in the Revolving Credit Documentation.

Except for purposes of calculating the commitment fee described below, any swingline borrowings will reduce availability under the Revolving Credit Facility on a dollar-for-dollar basis.

Amortization: None.

Incremental Facilities: The Borrower may from time to time after the Closing Date solicit (at its option) existing and/or prospective Lenders to provide incremental commitments consisting of increases to the Revolving Credit Facility in minimum amounts of $1.0 million and up to a maximum aggregate principal amount for all such increases of $50.0 million (each an "***Incremental Facility***"). Any Incremental Facility shall become effective upon satisfaction of

conditions to be agreed at the time with the Administrative Agent and the lenders providing commitments thereunder; provided that (i) no default or event of default exists or would exist after giving effect thereto, except in the case of an Incremental Facility incurred to finance a permitted acquisition or other permitted investment where no payment or bankruptcy event of default will be the standard, (ii) all of the representations and warranties contained in the Revolving Credit Documentation shall be true and correct in all material respects (or, in all respects, if qualified by materiality), (except where customary "Sungard" or "certain funds" conditionality is otherwise agreed to by the lenders providing such Incremental Facility, in which cash such limited conditionality shall apply), (iii) any such Incremental Facility shall benefit from the same guarantees as, and be secured on a pari passu basis by the same Collateral (as defined below) securing, the Revolving Credit Facility and (iv) the Borrower is in pro forma compliance with the Financial Covenant (as defined below) as of the most recently ended fiscal quarter for which financial statements are available (determined after giving effect to the full utilization of the commitments provided under such Incremental Facility). The terms applicable to such Incremental Facility (other than fees) shall be the same as for the Revolving Credit Facility. Fees applicable to the Incremental Facility shall be agreed upon by Borrower, the Administrative Agent and the lenders providing such Incremental Facility.

Any Lender providing any Incremental Facility shall be subject to the consent of the Borrower and, to the extent such consent would be required with respect to an assignment to such lender, the Administrative Agent and Issuing Bank (such consents not to be unreasonably withheld or delayed). Existing Lenders or other Persons may, but shall not be obligated to, without their prior written consent, provide a commitment to any Incremental Facility, and nothing contained in this term sheet constitutes, or shall be deemed to constitute, a commitment with respect to any Incremental Facility. The Revolving Credit Facility will permit the Borrower and the Administrative Agent, on behalf of each Lender, to enter into any amendment to the Revolving Credit Facility required to incorporate the provisions of each Incremental Facility made available after the Closing Date, so long as the purpose of such amendment is solely to incorporate the appropriate provisions for such Incremental Facility in the Revolving Credit Facility.

Interest:

At Borrower's option, loans will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option

Interest will be at the Base Rate plus the applicable Interest Margin, calculated on the basis of the actual number of days elapsed in a 365/366-day year and payable quarterly in arrears. The "***Base Rate***" is defined as the highest of (i) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 0.50%, (ii) the prime commercial lending rate of the Administrative Agent, as established from time to time and (iii) LIBOR for an interest period of one month plus 1.00%.

Base Rate borrowings will require one business day's prior notice and will be in minimum amounts to be agreed upon.

B. LIBOR Option

Interest will be determined for periods ("***Interest Periods***") of one, two, three or six months (or twelve months or less than one month if available from all relevant Lenders) (as selected by Borrower) and will be at an annual rate equal to the London Interbank Offered Rate ("***LIBOR***") for the corresponding deposits of U.S. dollars, plus the applicable Interest Margin. LIBOR will be determined by the Administrative Agent at the start of each Interest Period and will be fixed through such period. Interest will be paid at the end of each Interest Period or, in the case of Interest Periods longer than three months, quarterly, and will be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR will be adjusted for maximum statutory reserve requirements (if any) and shall not be deemed to be less than zero percent (0%) at any time.

LIBOR borrowings will require three business days' prior notice and will be in minimum amounts to be agreed upon.

The applicable interest margin (the "***Interest Margin***") will initially be [●]% for LIBOR Loans and [●]% for Base Rate Loans.

From and after the first full fiscal quarter after the Closing Date, the Interest Margin shall be as set forth below, based on the average Excess Availability as a percentage of the Line Cap for the prior fiscal quarter:

Average Excess Availability as a Percentage of the Line Cap	**LIBOR Loans**	**Base Rate Loans**
Less than or equal to 33.3%	[●]%	[●]%
Greater than 33.3% and less than 66.6%	[●]%	[●]%
Greater than or equal to 66.6%	[●]%	[●]%

Default Interest and Fees: Overdue principal, overdue interest and other overdue amounts shall bear interest at a rate per annum equal to (i) in the case of principal and interest, the rate which is 2% in excess of the rate then borne by the applicable borrowing and (ii) in the case of other amounts, the rate which is 2% in excess of the rate otherwise applicable to Base Rate Loans from time to time. Such interest shall be payable on demand.

Commitment Fee: A commitment fee shall accrue on the unused amounts of the commitments under the Revolving Credit Facility (with revolving borrowings (other than Swingline borrowings) and issued letters of credit constituting utilization) at a rate of [●]% per annum. Accrued commitment fees will be payable quarterly in arrears (calculated on a 360-day basis) for the account of the Lenders from the Closing Date.

Letter of Credit Fees: Borrower will pay to the Administrative Agent for the account of the Lenders a letter of credit fee equal to the Interest Margin for LIBOR Loans on the undrawn amount of all outstanding letters of credit. Unpaid drawn amounts shall bear interest at a rate equal to the Base Rate plus the Interest Margin for Base Rate Loans. In addition, Borrower will pay the Issuing Bank a fronting fee in the amount of [●]% per annum on the undrawn amount of all outstanding letters of credit plus customary issuance, amendment, drawing and transfer fees.

Upfront Fees: Borrower will pay to the Administrative Agent for the account of the Lenders an upfront fee equal to [●]% of the aggregate commitments in respect of the Revolving Credit Facility as of the Closing Date.

Mandatory Prepayments: If at any time the amounts outstanding pursuant to the Revolving Credit Facility (including outstanding letters of credit and swingline loans) exceed Availability at such time, the Borrower will be required to make a mandatory prepayment in an amount equal to such excess, to be applied (i) first, to prepayments of loans under the Revolving Credit Facility (without a permanent reduction of the commitments) and (ii) to the

extent in excess thereof, to cash collateralize outstanding Letters of Credit.

Voluntary Prepayments: Permitted in whole or in part, with prior notice but without premium or penalty (except LIBOR breakage costs) and including accrued and unpaid interest, subject to limitations as to minimum amounts of prepayments.

Guaranties: Each direct and indirect subsidiary of the Borrower other than: (i) immaterial subsidiaries, (ii) foreign subsidiaries that are controlled foreign corporations ("***CFCs***") and any subsidiaries of such CFCs within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), (iii) any subsidiary that has no material assets other than the equity and/or debt interests of one or more foreign subsidiaries that are CFCs, (iv) unrestricted subsidiaries and (v) other exceptions to be agreed (each, a "***Guarantor***" and, collectively, the "***Guarantors***") shall be required to provide an unconditional guaranty on a joint and several basis (collectively, the "***Guaranties***") of all amounts owing under the Revolving Credit Facility and any interest rate hedging or cash management obligations of the Borrower or its restricted subsidiaries owed to a Lender, the Administrative Agent or their respective affiliates. Such Guaranties shall be guarantees of payment and not of collection.

Security: The Revolving Credit Facility, the Guaranties and any interest rate hedging or cash management obligations of the Borrower or its restricted subsidiaries owed to a Lender, the Administrative Agent or their respective affiliates will be secured by first priority security interests in all of the right, title and interest of the Borrower and the Guarantors in, to and under the following: (i) all accounts receivable (other than intercompany indebtedness of the Borrower and its subsidiaries and accounts receivable which constitute proceeds of Term Collateral); (ii) all inventory; (iii) all as-extracted collateral; (iv) all chattel paper, documents, general intangibles (other than equity interests in the Borrower and its subsidiaries and intellectual property) and commercial tort claims, in each case, evidencing or governing any of the items referred to in the preceding clauses (i) through (iii); (v) all instruments evidencing or governing any of the items referred to in the preceding clauses (i) through (iv); (vi) all supporting obligations and letter-of-credit rights relating to any of the items referred to in the preceding clauses (i) through (v); (vii) all deposit accounts, securities accounts and commodity accounts, other than any such accounts holding solely

proceeds of sales of Term Collateral, and, in each case, all cash, checks and other property held therein or credited thereto, but excluding in each case, identifiable proceeds of Term Collateral; (viii) all books and records pertaining to the foregoing; and (ix) to the extent not otherwise expressly included or excluded in clauses (i) through (vii), all proceeds and products of any and all of the foregoing (collectively, the "***ABL Collateral***").

In addition, the Revolving Credit Facility will be secured by a second priority security interest in all other assets of the Borrower, Guarantors and their respective subsidiaries that secure the First Lien Facilities (the "***Term Collateral***" and, together with the ABL Collateral, the "***Collateral***").

The priority of the security interests in the Collateral and related creditors' rights will be set forth in one or more customary intercreditor agreements (the "***Intercreditor Agreement***") reasonably acceptable to the Administrative Agent, DBNY, as administrative agent and collateral agent under the First Lien Facilities and the Second Lien Term Loan Facility and the Borrower.

Notwithstanding the foregoing, all assets included in the Borrowing Base shall be included in the ABL Collateral.

Conditions Precedent to Initial Borrowings and Issuances: The initial availability of the Revolving Credit Facility will be subject to conditions usual and customary for facilities of this type (the date upon which all such conditions precedent shall be satisfied or waived, the "***Closing Date***").

Conditions to Each Borrowing or Issuance: Conditions precedent to each borrowing or issuance of letters of credit (or increase, renewal or extension thereof) under the Revolving Credit Facility will include only the following: (1) the absence of any continuing default or event of default, (2) the accuracy of all representations and warranties in all material respects, (3) Availability and (4) receipt of a customary borrowing notice or letter of credit request, as applicable.

Representations and Warranties: The Revolving Credit Documentation will contain only the following representations and warranties (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (consistent, where applicable, with the First Lien Facilities): (i) company status, (ii) power and authority, (iii) due

authorization, execution and delivery and enforceability, (iv) no violation or conflicts with laws, contracts or charter documents, (v) governmental approvals, (vi) financial statements, financial condition, projections, (vii) absence of material litigation, (viii) true and complete disclosure, (ix) use of proceeds and compliance with margin regulations, (x) tax returns and payments, (xi) ERISA matters, (xii) compliance with law, (xiii) ownership of property, (xiv) creation, validity, perfection and priority of security interests under the Security Documents (to be defined in the Revolving Credit Documentation), (xv) borrowing base calculations and eligible accounts and eligible inventory, (xvi) ownership of subsidiaries, (xvii) inapplicability of Investment Company Act, (xviii) employment and labor relations, (xix) intellectual property, franchises, licenses, permits, etc., (xx) compliance with environmental laws, (xxi) existing indebtedness, (xxii) maintenance of insurance, (xxiii) Patriot Act/ "know your customer" laws, (xxiv) OFAC/anti-terrorism and sanctions laws and (xxv) flood insurance.

Covenants: The Revolving Credit Documentation will contain only the following covenants (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (consistent, where applicable, with the First Lien Facilities):

Affirmative Covenants: (i) Compliance with laws and regulations (including, without limitation, ERISA and environmental laws); (ii) payment of taxes and other obligations; (iii) maintenance of adequate insurance; (iv) preservation of corporate existence, rights (charter and statutory), franchises, permits, licenses, copyrights, trademarks and patents necessary to the business; (v) visitation and inspection rights; (vi) keeping of proper books in accordance with generally accepted accounting principles; (vii) quarterly conference calls with Lenders; (viii) maintenance of properties; (ix) further assurances as to perfection and priority of security interests and additional guarantors; (x) notice of defaults, material litigation and certain other material events; (xi) financial and other reporting requirements (including, without limitation, unaudited quarterly and audited annual financial statements for the Borrower and its subsidiaries on a consolidated basis (in accordance with US GAAP), in each case with accompanying management discussion and analysis and, in the case of audited annual financial statements, accompanied by an opinion of a nationally recognized accounting firm (which opinion shall not be subject to any qualification

as to "going concern" or scope of the audit) and budgets prepared by management of the Borrower and provided on an annual basis); (xii) use of proceeds; (xiii) maintenance of reserves for certain long-term liabilities and environmental matters; (xiv) change in fiscal year and fiscal quarter; (xv) performance of obligations; (xvi) designation of subsidiaries as "unrestricted subsidiaries" or "restricted subsidiaries"; (xvii) field examinations and inventory appraisals as described below; (xix) cash management and dominion requirements as set forth below; and (xx) delivery of borrowing base certificates and appropriate supporting data for such borrowing base certificates as set forth in "Availability" above.

Negative Covenants: Restrictions (with exceptions to be agreed) on (i) liens; (ii) debt (including guaranties and other contingent obligations), with exceptions to include the First Lien Facilities and the Second Lien Term Loan Facility (including any "AHYDO" catchup payments that may be required to be made); (iii) mergers and consolidations; (iv) sales, transfers and other dispositions of property and assets (including sale-leaseback transactions but with exceptions to include (x) sales of inventory in the ordinary course of business and (y) sales of obsolete or worn out assets); (v) loans, acquisitions, joint ventures and other investments; (vi) dividends and other distributions to, and redemptions and repurchases from, equity holders (with exceptions for tax distributions in accordance with the LLC operating agreement of the Borrower, scheduled junior debt payments, expense reimbursements and other customary exceptions to be agreed); (vii) prepaying, redeeming or repurchasing junior lien, unsecured and subordinated debt; (viii) transactions with affiliates; (ix) restrictions on distributions, advances and asset transfers by subsidiaries; (x) issuances of certain equity interests, (xi) changes in the nature of business; (xii) amending organizational documents; (xiv) hedging obligations; (xv) negative pledges; and (xvi) accounting changes.

Financial Covenant. If Specified Excess Availability is less than the greater of (i) 20.0% of the Line Cap and (ii) $12.5 million]and until Specified Excess Availability has been at least the greater of (i) 20.0% of the Line Cap and (ii) $12.5 million for 30 consecutive calendar days or (the "***Financial Covenant Period***"), the Borrower shall comply on a quarterly basis with a minimum Fixed Charge Coverage Ratio (to be defined in the Revolving Credit Documentation) of at least 1.00 to 1.00 on a

trailing four quarter basis (the "***Financial Covenant***") and tested (i) immediately upon commencement of the Financial Covenant Period based on the most recently completed fiscal quarter for which financial statements were (or were required to have been) delivered and (ii) on the last day of each subsequently completed fiscal quarter of the Borrower until the end of the Financial Covenant Period.

Examinations / Appraisals: The Administrative Agent may conduct up to one (1) field examination and up to one (1) inventory appraisal (each at the expense of the Borrower) during any calendar year; provided that (i) after the date on which Specified Excess Availability has been less than the greater of 25.0% of the Line Cap and $20 million for a period of five consecutive days, field examinations and inventory appraisals may each be conducted (at the expense of the Borrower) two (2) times during the following 12 month period unless Specified Excess Availability shall have been at least the greater of 25.0% and $20 million for 30 consecutive days; provided that the Administrative Agent shall be entitled to complete any field exam or inventory appraisal for which it has begun planning or conducting regardless of whether Specified Excess Availability has been at or above such threshold for a period of at least 30 consecutive days or (ii) at any time during the continuation of a default or event of default, field examinations and inventory appraisals may be conducted (at the expense of the Borrower) as frequently as requested by the Administrative Agent (but, in any event, not more than four times per year).

Cash Management/Dominion: The Revolving Credit Documentation will require that all amounts received by the Borrower or any Guarantor in respect of accounts receivable, in addition to all other cash received from any other source, shall upon receipt be deposited into an account with a bank approved by the Administrative Agent (provided that 1st Trust Bank and Fifth Third Bank are deemed to be approved) that is subject to a control agreement in favor of the Administrative Agent. All accounts maintained by the Borrower and the Guarantors (other than certain excluded accounts to be set forth in the Revolving Credit Documentation) shall be subject to control agreements in favor of the Administrative Agent. Upon and during the continuance of an Event of Default or for the period from the date (if any) that Specified Excess Availability shall have been less than the greater of (a) 20.0% of the Line Cap and (b) $12.5 million for 3 consecutive business days to the date Specified Excess Availability

shall have been at least the greater of (i) 20.0% of the Line Cap and (ii) $12.5 million for 30 consecutive days, the Borrower will cause all amounts on deposit in any pledged account to be transferred into an account controlled by and maintained with the Administrative Agent no less frequently than once per business day, and amounts on deposit in such account will be applied on a daily basis by the Administrative Agent, if necessary, to repay borrowings and/or, solely to the extent a default or event of default is continuing, cash collateralize outstanding Letters of Credit, with any remaining amounts being returned to the Borrower.

Unrestricted Subsidiaries: The Revolving Credit Documentation will contain provisions pursuant to which, subject to no default or event of default, limitations on investments and other conditions to be set forth in the Revolving Credit Documentation, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary; provided that no subsidiary may be designated as an unrestricted subsidiary if such subsidiary owns or operates Core Mining Property (to be defined in the Revolving Credit Documentation). The designation of any subsidiary as an "unrestricted" subsidiary shall constitute an investment for purposes of the investment covenant in the Revolving Credit Documentation, and the designation of any unrestricted subsidiary as a restricted subsidiary shall be deemed to be an incurrence of indebtedness and liens by a restricted subsidiary of any outstanding indebtedness or liens, as applicable, of such unrestricted subsidiary for purposes of the Revolving Credit Documentation. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenants or events of default provisions of the Revolving Credit Documentation, and the cash held by, the results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with the Financial Covenant or any financial tests contained in such Revolving Credit Documentation.

Events of Default: The Revolving Credit Documentation will include only the following Events of Default (to be applicable to the Borrower and its restricted subsidiaries) with certain customary exceptions, qualifications and grace periods to be set forth therein (consistent, where applicable, with the First Lien Facilities): (i) nonpayment of principal when due or interest, fees or other amounts after a grace

period set forth in the Revolving Credit Documentation; (ii) failure to perform or observe covenants set forth in Revolving Credit Facility, subject (where customary and appropriate) to notice and an appropriate grace period; (iii) any representation or warranty proving to have been incorrect in any material respect (or, in any respect, if qualified by materiality) when made or confirmed; (iv) cross-defaults and cross-acceleration to other indebtedness in an amount to be set forth in the Revolving Credit Documentation; (v) bankruptcy, insolvency proceedings, etc. (with a customary grace period for involuntary proceedings); (vi) inability to pay debts, attachment, etc.; (vii) monetary judgment defaults in an amount to be set forth in the Revolving Credit Documentation; (viii) customary ERISA defaults; (ix) actual invalidity of the security documentation or the Guaranties or impairment of security interests in the Collateral; (x) Change of Control (to be defined in the Revolving Credit Documentation) and (xi) Intercreditor Agreement ceasing to be in full force and effect other than in accordance with its terms.

Assignments and Participations: Each Lender may assign all or, subject to minimum amounts set forth in the Revolving Credit Documentation, a portion of its loans and commitments under the Revolving Credit Facility. Assignments will require payment of an administrative fee to the Administrative Agent and the consent of the Administrative Agent, the Issuing Bank, the Swingline Lender and Borrower, which consents shall not be unreasonably withheld; provided that (i) no consents shall be required for an assignment to an existing Lender or an affiliate or "approved fund" of an existing Lender and (ii) no consent of Borrower shall be required during a default or event of default. In addition, each Lender may sell participations in all or a portion of its loans and commitments under the Revolving Credit Facility; provided that no purchaser of a participation shall have the right to exercise or to cause the selling Lender to exercise voting rights in respect of the Revolving Credit Facility (except as to certain basic issues).

Expenses and Indemnification: The Revolving Credit Documentation will contain customary and appropriate provisions relating to indemnity, reimbursement, exculpation and other related matters.

Defaulting Lender: The Revolving Credit Documentation shall contain customary defaulting lender provisions.

Yield Protection and Taxes: The Revolving Credit Facility shall include customary protective provisions for such matters as capital adequacy, increased costs, reserves, funding losses, illegality and withholding taxes.

Requisite Lenders: Amendments, modifications and waivers of the Revolving Credit Documentation will require the consent of Lenders holding at least a majority of total loans and commitments under the Revolving Credit Facility (the "***Required Lenders***"), with certain amendments with respect to the Borrowing Base requiring the consent of Lenders holding a supermajority of the total loans and commitments under the Revolving Credit Facility and certain customary amendments requiring the consent of each directly and adversely affected Lender; provided that, if any of the matters described above is agreed to by the Required Lenders (or supermajority lenders), the Borrower shall have the right to either (x) substitute any non-consenting Lender by having its Loans and commitments assigned, at par, to one or more other institutions, subject to the assignment provisions described above, or (y) with the express written consent of the Required Lenders, terminate the commitment of, and repay the obligations owing to, any non-consenting Lender, subject to repayment in full of all obligations of the Borrower owed to such Lender relating to the Loans and participations held by such Lender.

Governing Law and Forum; Submission to Exclusive Jurisdiction: All Revolving Credit Documentation shall be governed by the internal laws of the State of New York (except security documentation that the Administrative Agent determines should be governed by local law). The Borrower and the Guarantors will submit to the exclusive jurisdiction and venue of any New York State court or Federal court sitting in the County of New York, Borough of Manhattan, and appellate courts thereof (except to the extent the Administrative Agent requires submission to any other jurisdiction in connection with the exercise of any rights under any security document or the enforcement of any judgment).

Counsel to the Administrative Agent, Collateral Agent, Swingline Lender, the Issuing Bank and Arranger: Cahill Gordon & Reindel LLP."

1.21 Exhibit F to the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"**EXHIBIT F**

BLACKHAWK MINING LLC
$401.2 MILLION FIRST LIEN TERM LOAN
$115 MILLION 1.5 LIEN TERM LOAN
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Set forth below is a summary (the "***First Lien Term Sheet***") of the principal terms and conditions for the First Lien Facilities (as defined below) for Blackhawk Mining LLC. This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the First Lien Facilities (the "***First Lien Credit Documentation***"). Further, as the First Lien Credit Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the First Lien Credit Documentation for the final terms of the First Lien Facilities. Capitalized terms not defined herein shall have the meaning attributed to them in the Asset Purchase Agreement (as defined below).

Borrower:	Blackhawk Mining LLC, a Kentucky limited liability company (the "***Borrower***").
First Lien Administrative Agent:	Deutsche Bank AG New York Branch ("***DBNY***") will act as sole administrative agent and collateral agent (in such capacities, the "***First Lien Administrative Agent***") for the first lien lenders under the First Lien Term Loan (the "***First Lien Term Lenders***") and the first lien lenders under the 1.5 Lien Term Loan (the "***1.5 Lien Lenders***" and together with the First Lien Term Lenders, the "***First Lien Lenders***"), and will perform the duties customarily associated with such roles.
Sole Lead Arranger and Book-Running Manager:	Deutsche Bank Securities Inc. will act as sole lead arranger and sole book-running manager for the First Lien Term Loan (as defined below), and will perform the duties customarily associated with such roles.
Amount:[1]	A senior secured first lien term loan facility with (a) at the option of the Borrower, (x)(i) a term loan tranche in an aggregate principal amount of up to $329.8 million (the "***First Lien Tranche B-1 Term Loan***") and (ii) a term loan tranche in an aggregate principal amount of up to $71.4 million (the "***First Lien Tranche B-2 Term Loan***" and together with the First Lien Tranche B-1 Term Loan, the "***First Lien Tranche B Term***

[1] **NTD**: All dollar figures assume the transactions contemplated herein are consummated on or before October 1, 2015, (it being understood such figures will be adjusted to account for the consummation of the transactions on October 19, 2015 or such other date as may be agreed).

Loans")[2] or (y) a term loan tranche in the an aggregate principal amount of up to $401.2 million (the "***First Lien Single Tranche Term Loan***" and together the First Lien Tranche B Term Loans, the "***First Lien Term Loan***") and (b) a term loan tranche in the aggregate principal amount of $115.0 million (the "***1.5 Lien Term Loan***" and together with the First Lien Term Loan, the "***First Lien Facilities***"), which will be payment subordinated to the First Lien Term Loan. Holders of the 1.5 Lien Term Loan shall also receive Class B Units representing 35% of the equity interest in Blackhawk Mining LLC.

Use of Proceeds: As provided in the Asset Purchase Agreement, dated as of June 22, 2015 among the Borrower, Patriot Coal Corporation and the other parties thereto (as may be amended, amended and restated or otherwise modified from time to time, the "***Asset Purchase Agreement***"), which will provide for (a) with respect to the First Lien Tranche B-1 Term Loan and the First Lien Single Tranche Term Loan, (i) $114.8 million to satisfy the Existing Patriot DIP Facility and (ii) up to $215.0 million to satisfy other Existing Blackhawk Indebtedness (b) with respect to the First Lien Tranche B-2 Term Loan and the First Lien Single Tranche Term Loan, up to $71.4 million of First Lien Tranche B-2 Term Loan or First Lien Single Tranche Term Loan (together with up to $37.0 million of Second Lien Term Loan) in exchange for $59.6 million in cash, $57.1 million of which shall be used to satisfy Existing Blackhawk Indebtedness of JR Acquisition, LLC and (c) with respect to the 1.5 Lien Term Loan, up to $115.0 million of 1.5 Lien Term Loan in exchange for $80.0 million in cash, of which $32.5 million may be provided to Patriot to fund the wind down of the Patriot estate with the remainder to be used for general working capital of the Borrower and its subsidiaries. The consummation of the $59.6 million investment in the Borrower referenced in clause (b) shall

[2] [Holders of the First Lien Tranche B-2 Term Loans will have the right to exchange their First Lien Tranche B-2 Loans, on the [●] business day of each [●] for a period commencing after 6 months from the issue date of the First Lien Tranche B-2 Loans and ending on [●], for (1) the same outstanding principal amount of First Lien Tranche B-1 Term Loan under a different CUSIP or (2) the same outstanding principal amount of First Lien Tranche B-1 Loans under the same CUSIP; ***provided*** that, in the case of clause (2), the applicable holder can demonstrate to the reasonable satisfaction of the Borrower and the Administrative Agent, exercised in good faith, that the newly issued First Lien Tranche B-1 Loans would be issued in a "qualified reopening" of the existing First Lien Tranche B-1 Loan under Treasury Regulation Section 1.1275-2(k) and, in the case of both clauses (1) and (2), such exchange does not give rise to cancellation of indebtedness income for U.S. federal income tax purposes beyond a de minimis amount on each exchange date, not to exceed [2.00]% of the adjusted issue price of the First Lien Tranche B-2 Loans being exchanged on such date, as reasonably determined by the Borrower acting in good faith.]

be a condition to the consummation of the other transaction contemplated herein.

Maturity: The maturity date of the First Lien Facilities shall be five (5) years from the closing date (the "***First Lien Maturity Date***").

Amortization: Annual amortization (payable in 4 equal quarterly installments) of the First Lien Facilities shall be required in an amount equal to 1.0% of the initial aggregate principal amount of the First Lien Facilities starting with the first quarter ending in 2017.

Incremental Facilities: The Borrower will have the right to solicit existing Lenders and Additional Lenders (as defined below) to provide incremental commitments consisting of one or more increases to the First Lien Term Loan and/or one or more new tranches of term loans to be made available under the First Lien Credit Documentation (hereinafter the "***Incremental Facilities***") in an aggregate amount not to exceed $50 million plus the aggregate amount of all voluntary prepayment, repurchases and permanent voluntary commitment reductions of pari passu indebtedness (in each case, other than prepayments, repurchases or commitment reductions made with the proceeds of long term indebtedness not incurred under the Incremental Facilities), on terms agreed by the Borrower, the First Lien Administrative Agent and the lenders providing the respective Incremental Facility; *provided*, that

(a) no default or event of default exists or would exist after giving effect thereto, except in the case of an Incremental Facility incurred to finance a permitted acquisition or other permitted investment where no payment or bankruptcy event of default will be the standard,

(b) all of the representations and warranties contained in the First Lien Credit Documentation shall be true and correct in all material respects (or, in all respects, if qualified by materiality), (except where customary "Sungard" or "certain funds" conditionality is otherwise agreed to by the lenders providing such Incremental Facility, in which case such limited conditionality shall apply),

(c) any such Incremental Facility shall benefit from the same guarantees as, and be secured on a pari passu basis by the same Collateral (as defined below) securing, the First Lien Term Loan,

(d) the Borrower is in pro forma compliance with the Financial Covenant (as defined below) as of the most recently ended fiscal quarter for which financial statements are available (determined after giving effect

to the full utilization of the commitments provided under such Incremental Facility), and

(e) unless such Incremental Term Loans are made a part of the First Lien Term Loan (in which case all terms thereof shall be identical to those of the First Lien Term Loan), the loans to be made under an Incremental Facility (each, an "***Incremental Term Loan***") shall be subject to the same terms as the First Lien Term Loan (including voluntary and mandatory prepayment provisions) with such changes as are reasonably satisfactory to the First Lien Administrative Agent, except that,

(i) the interest margins for the Incremental Term Loans shall be determined by the Borrower and the lenders providing such incremental facility; *provided*, that the "effective yield" on the respective Incremental Term Loans issued within 18 months after the closing date (which, for such purposes only, shall be deemed to take account of interest rate benchmark floors, recurring fees and all upfront or similar fees or original issue discount (amortized over the shorter of (A) the weighted average life of such Incremental Term Loans and (B) four years) payable to all lenders providing such Incremental Term Loans, but exclusive of any arrangement, structuring or other fees payable in connection therewith that are not shared with all lenders providing such Incremental Term Loans) may exceed the then "effective yield" on the First Lien Term Loan (determined on the same basis as provided in the preceding parenthetical) by more than 0.50% only if the "effective yield" on the First Lien Term Loan (determined on the same basis as provided in the second preceding parenthetical) is increased to be not less than (after giving effect to any increase to the "effective yield" on any term loans that are in the First Lien Term Loan) the "effective yield" on such Incremental Term Loans minus 0.50% per annum,

(ii) the final stated maturity date for such Incremental Term Loans may be identical to or later (but not earlier) than the final stated maturity date then applicable to the First Lien Term Loan,

(iii) the amortization requirements for such Incremental Term Loans may differ, so long as the average weighted life to maturity of such Incremental Term Loans is no shorter than the average weighted life to maturity applicable to the then outstanding First Lien Term Loan and

(iv) other terms may be included with respect to such Incremental Term Loans if applicable only to periods after the final stated maturity date then applicable to the First Lien Term Loan (or if such terms are also provided for the benefit of the First Lien Term Loan).

The Borrower may seek commitments in respect of the Incremental Facilities from existing First Lien Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and additional banks, financial institutions and other institutional lenders or investors who will become incremental lenders in connection therewith reasonably acceptable to the First Lien Administrative Agent (the "***Additional Lenders***").

Guaranties: All obligations under the First Lien Facilities will be guaranteed by each direct and indirect subsidiary of the Borrower other than:

(a) immaterial subsidiaries,

(b) foreign subsidiaries that are controlled foreign corporations ("***CFCs***") within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), and any subsidiaries of such CFCs,

(c) any subsidiary that has no material assets other than the equity and/or debt interests of one or more foreign subsidiaries that are CFCs ("***FSHCO***") and

(d) unrestricted subsidiaries (each, a "***Guarantor***" and, collectively, the "***Guarantors***", and, collectively with the Borrower, the "***Obligors***") shall be required to provide an unconditional guaranty on a joint and several basis (collectively, the "***First Lien Guaranties***") of all amounts owing under the First Lien Facilities.

Such Guaranties shall be guarantees of payment and not of collection.

Security: Subject to the terms of the Intercreditor Agreements (as defined below), all amounts owing under the First Lien Facilities (and all obligations under the First Lien Guaranties) will be secured by

(x) a first priority perfected security interest in all stock, other equity interests, intercompany debt and promissory notes owned by the Borrower and the Guarantors ((1) limited to 65% of the voting stock and 100% of the non-voting stock in the case of equity interests of CFCs and FSHCOs and (2) excluding equity interests of unrestricted subsidiaries) and (y) a first priority security interest in substantially all domestic assets, including without limitation, substantially all personal property, owned real property and mixed property of the Borrower and the Guarantors, in each case subject to certain customary exceptions to be set forth in the First Lien Credit Documentation. The Borrower's existing $13 million letter of credit facility (the "***Existing LC Facility***") will be secured on a pari-passu basis with, will be guaranteed by the same Guarantors as and will be treated under the Intercreditor Agreements and the First Lien Credit Documentation as the same as the First Lien Term Loans. To the extent not refinanced by the First Lien Term Loan, indebtedness with respect to the Borrower's existing first lien credit agreement shall remain outstanding on a pari passu basis with the First Lien Term Loan on collateral that currently secures such indebtedness and guaranteed by the Guarantors that currently guarantee such indebtedness.

New ABL: The First Lien Facilities shall provide that Borrower may obtain a separate first priority lien asset-backed lending facility (the "***New ABL***") of up to $100 million with incremental capacity to increase the aggregate principal amount of the New ABL by $50 million.

Second Lien Term Loan A senior secured second lien term loan in an aggregate principal amount of up to $229,238.275.55 (the "***Second Lien Term Loan***").

Intercreditor Agreements: The priority of the security interests in the collateral and related creditors' rights as among (i) the First Lien Facilities, (ii) the Second Lien Term Loan, (iii) the New ABL and (iv) any other debt will be set forth in one or more customary intercreditor agreements (the "***Intercreditor Agreements***"). The Intercreditor Agreements shall provide, among other things, that the New ABL is secured by (a) first priority liens on all "current" assets (defined in a manner consistent with the Existing Patriot ABL Facility) of the Obligors (including all Purchased Assets that constitute "current" assets), senior in all respects to the liens securing the First Lien Facilities, the Second Lien Term Loan and, subject to customary permitted liens and other liens to be agreed, any other debt of the Obligors and (b) first priority liens on all "fixed" assets of the Obligors, junior only to the liens securing the First Lien Facilities, but senior in all respects to the liens securing the Second Lien Term Loan and, subject to customary permitted liens and other liens to be agreed, any other debt of the Obligors.

Voluntary Prepayments: Voluntary prepayments may be made at any time on three business days' notice, without premium or penalty (except as otherwise provided under the heading "Prepayment Fee" below), in minimum principal amounts to be set forth in the First Lien Credit Documentation.

Mandatory Repayments: Subject to the Intercreditor Agreements (including provisions thereof with respect to collateral on which the New ABL has a senior security interest), mandatory repayments shall be required with respect to the First Lien Term Loans

(a) 100% of the net proceeds from asset sales by the Borrower and its restricted subsidiaries (subject to certain exceptions and reinvestment rights to be set forth in the First Lien Credit Documentation),

(b) 100% of the net proceeds from issuances or incurrences of debt (other than debt permitted to be incurred by the First Lien Credit Documentation) by the Borrower and its restricted subsidiaries,

(c) starting with the fiscal year ending 2017, 50% (reducing to 25% and 0% based on meeting total net leverage levels of 0.50x and 1.00x, respectively, inside the Borrower's total net leverage on the closing date) of annual Excess Cash Flow (to be defined in the First Lien Credit Documentation) of the Borrower and its restricted subsidiaries and

(d) 100% of the net proceeds from insurance recovery and condemnation events of the Borrower and its restricted subsidiaries (subject to certain exceptions and reinvestment rights to be set forth in the First Lien Credit Documentation).

All mandatory repayments made pursuant to clauses (a) through (d), inclusive, above will, subject to the provisions described under the heading "Waivable Prepayments" below, be applied pro rata to each outstanding tranche of First Lien Term Loan and Incremental Term Loans (if any), and shall be applied, first, in direct order to the next eight scheduled amortization payments of the respective term loans being repaid and, second, pro rata to reduce the remaining amortization payments of the respective term loans being repaid. If no First Lien Term Loans or Incremental Term Loans are outstanding, mandatory repayments shall be applied to cash collateralize reimbursement obligations under the Existing LC Facility.

Waivable Prepayments: First Lien Lenders shall have the right to decline all or a portion of their pro rata share of any mandatory repayment as otherwise required above (excluding scheduled amortizations and

mandatory repayments of the type described in clause (b) of the first paragraph of the section above entitled "Mandatory Repayments") on terms to be set forth in the First Lien Credit Documentation, in which case the amounts so declined shall be retained by the Borrower.

Prepayment Fee: The occurrence of any voluntary prepayment (or mandatory prepayment with the proceeds of debt) of the First Lien Term Loan will require payment of a fee (the "***Prepayment Fee***") equal to a percentage of the principal amount subject to such prepayment based upon the date of such prepayment as follows:

Prepayment Date	Prepayment Percentage
Prior to the 1st Anniversary of the Closing Date	5.0%
On or after the 1st anniversary of Closing Date and prior to the 2nd anniversary of the Closing Date	2.5%
On or after the 2nd anniversary of Closing Date and prior to the 3rd anniversary of the Closing Date	1.0%
On or after the 3rd anniversary of the Closing Date	0.0%

After such 36-month period all prepayments shall be at par with no additional fee

With respect to the 1.5 Lien Term Loan, none.

Interest Rates: With respect to the First Lien Tranche B-1 Term Loan and the First Lien Single Tranche Term Loan, 13.5%, payable quarterly in arrears on the last business day of each calendar quarter.

With respect to the First Lien Tranche B-2 Term Loan, 14.50%, payable quarterly in arrears on the last business day of each calendar quarter.

With respect to the 1.5 Lien Term Loan, 5% cash pay, payable quarterly in arrears on the last business day of each calendar quarter and 7% PIK.

Interest will also be payable at the time of repayment of any Loans (on the amount repaid) and at maturity. All interest shall be based on a 360-day year and actual days elapsed.

Default Interest: Overdue principal, overdue interest and other overdue amounts shall bear interest at a rate per annum equal to 2% in excess of the rate then borne. Such interest shall be payable on demand.

Yield Protection: The First Lien Facilities shall include customary protective provisions for such matters as funding losses, illegality and withholding taxes.

Conditions Precedent: Usual and customary for facilities of this type.

Representations and Warranties: The First Lien Credit Documentation will contain only the following representations and warranties (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed: (i) company status, (ii) power and authority, (iii) due authorization, execution and delivery and enforceability, (iv) no violation or conflicts with laws, contracts or charter documents, (v) governmental approvals, (vi) financial statements, financial condition, projections, (vii) absence of material litigation, (viii) true and complete disclosure, (ix) use of proceeds and compliance with margin regulations, (x) income and other material tax returns and payments, (xi) ERISA matters, (xii) compliance with law, (xiii) ownership of property, (xiv) creation, validity, perfection and priority of security interests under the Security Documents (to be defined in the First Lien Credit Documentation), (xv) ownership of subsidiaries, (xvi) inapplicability of Investment Company Act, (xvii) employment and labor relations, (xviii) intellectual property, franchises, licenses, permits, etc., (xix) environmental matters, (xx) existing indebtedness, (xxi) maintenance of insurance, (xxii) Patriot Act/"know your customer" laws, (xxiii) OFAC/anti-terrorism and sanctions laws and (xxiv) flood insurance.

Covenants: The First Lien Credit Documentation will contain only the following covenants (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (including customary fixed amount and ratio baskets to be agreed):

(a) ***Affirmative Covenants*** – (i) Compliance with laws and regulations (including, without limitation, ERISA and environmental laws); (ii) payment of income and other material taxes and other obligations; (iii) maintenance of adequate insurance; (iv) preservation of corporate existence, rights (charter and statutory), franchises, permits, licenses, copyrights, trademarks and patents necessary to the business; (v) visitation and inspection rights; (vi) keeping of proper books in accordance with generally accepted accounting principles; (vii) quarterly conference calls with lenders; (viii) maintenance of properties; (ix) further assurances as to perfection and

priority of security interests and additional guarantors; (x) notice of defaults, material litigation and certain other material events; (xi) financial and other reporting requirements (including, without limitation, unaudited quarterly and audited annual financial statements for the Borrower and its subsidiaries on a consolidated basis (in accordance with US GAAP), in each case with accompanying management discussion and analysis and, in the case of audited annual financial statements, accompanied by an opinion of a nationally recognized accounting firm (which opinion shall not be subject to any qualification as to "going concern" or scope of the audit), and budgets prepared by management of the Borrower and provided on an annual basis); (xii) use of proceeds; (xiii) maintenance of reserves for certain long-term liabilities and environmental matters; (xiv) change in fiscal year and fiscal quarter; (xv) performance of obligations and (xvi) designation of subsidiaries as "unrestricted subsidiaries" or "restricted subsidiaries".

(b) ***Negative Covenants*** – Restrictions (with exceptions to be agreed) on (i) liens; (ii) debt (including guaranties and other contingent obligations), with exceptions to include the Existing LC Facility, the Second Lien Term Loan (including any "AHYDO" catchup payments that may be required to be made), and the New ABL (and any incremental increases thereunder); (iii) mergers and consolidations; (iv) sales, transfers and other dispositions of property and assets (including sale-leaseback transactions but with exceptions to include (x) sales of inventory in the ordinary course of business and (y) sales of obsolete or worn out assets); (v) loans, acquisitions, joint ventures and other investments; (vi) dividends and other distributions to, and redemptions and repurchases from, equity holders (with exceptions for tax distributions in accordance with the LLC operating agreement of the Borrower, scheduled junior debt payments, expense reimbursements and other customary exceptions to be agreed); (vii) prepaying, redeeming or repurchasing junior lien, unsecured and subordinated debt; (viii) transactions with affiliates; (ix) restrictions on distributions, advances and asset transfers by subsidiaries; (x) issuances of certain equity interests, (xi) changes in the nature of business; (xii) amending organizational documents; (xiv) hedging obligations; (xv) negative pledges; and (xvi) accounting changes.

(c) ***Financial Covenant*** – A first lien net leverage ratio maintenance covenant (the "***Financial Covenant***") (with financial definitions and covenant levels to be set forth in the First Lien Credit Documentation), the first test

date of which shall be the end of the fiscal quarter ended June 30, 2016. The Financial Covenant shall be established based on a 50% cushion to Consolidated EBITDA based upon the Borrower's financial model.

Unrestricted Subsidiaries: The First Lien Credit Documentation will contain provisions pursuant to which, subject to no default or event of default, limitations on investments and other conditions to be set forth in the First Lien Credit Documentation, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary; *provided*, that no subsidiary may be designated as an unrestricted subsidiary if such subsidiary owns or operates Core Mining Property (to be defined in the First Lien Credit Documentation). The designation of any subsidiary as an "unrestricted" subsidiary shall constitute an investment for purposes of the investment covenant in the First Lien Credit Documentation, and the designation of any unrestricted subsidiary as a restricted subsidiary shall be deemed to be an incurrence of indebtedness and liens by a restricted subsidiary of any outstanding indebtedness or liens, as applicable, of such unrestricted subsidiary for purposes of the First Lien Credit Documentation. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenants or events of default provisions of the First Lien Credit Documentation, and the cash held by, the results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with the Financial Covenant or any financial tests contained in such First Lien Credit Documentation.

Events of Default: The First Lien Credit Documentation will include only the following Events of Default (to be applicable to the Borrower and its restricted subsidiaries) with certain customary exceptions, qualifications and grace periods to be set forth therein: (i) nonpayment of principal when due or interest, fees or other amounts after a grace period set forth in the First Lien Credit Documentation; (ii) failure to perform or observe covenants set forth in First Lien Credit Documentation, subject (where customary and appropriate) to notice and an appropriate grace period; (iii) any representation or warranty proving to have been incorrect in any material respect (or, in any respect, if qualified by materiality) when made or confirmed; (iv) cross-defaults and cross-acceleration to other indebtedness in an amount to be set forth in the First Lien Credit Documentation; (v) bankruptcy, insolvency proceedings, etc. (with a customary grace period for involuntary proceedings); (vi) inability to pay debts, attachment, etc.; (vii) monetary judgment defaults in an amount to be set forth in the First Lien Credit Documentation; (viii) customary ERISA defaults; (ix) actual invalidity of the security

documentation or the First Lien Guarantees or impairment of security interests in the Collateral; (x) Change of Control (to be defined in the First Lien Credit Documentation) and (xi) the Intercreditor Agreements ceasing to be in full force and effect other than in accordance with their terms. The rights and remedies with respect to any Events of Default shall be subject to the Intercreditor Agreements.

Assignments and Participations:

The Borrower may not assign its rights or obligations under the First Lien Facilities without the prior written consent of the First Lien Lenders. Any First Lien Lender may assign, and may sell participations in, its rights and obligations under the First Lien Facilities, subject (x) in the case of participations, to customary restrictions on the voting rights of the participants and restrictions on participations to the Borrower and its affiliates and (y) in the case of assignments, to such limitations as set forth in the First Lien Credit Documentation (including (i) a minimum assignment amount of $1,000,000 (or, if less, the entire amount of such assignor's commitments and outstanding Loans at such time), (ii) an assignment fee in the amount of $3,500 to be paid by the respective assignor or assignee to the First Lien Administrative Agent, (iii) restrictions on assignments to any entity that is not an Eligible Transferee (to be defined in the First Lien Credit Documentation), (iv) the receipt of the consent of the First Lien Administrative Agent (other than with respect to assignments to any First Lien Lender, its affiliates, or an "approved fund"), such consent not to be unreasonably withheld, delayed or conditioned and (v) the receipt of the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned); *provided*, that the Borrower's consent shall not be so required if (x) such assignment is to any First Lien Lender, its affiliates or an "approved fund" of a First Lien Lender, (y) during the "primary syndication" of the First Lien Facilities, or (z) a default or event of default exists under the First Lien Facilities; *provided, further*, that such consent of the Borrower shall be deemed to have been given if the Borrower has not responded within five (5) business days of a request for such consent.

The First Lien Credit Documentation shall provide that the Borrower may offer to purchase loans under the First Lien Facilities at a discount to the par value of such loans through customary procedures to be agreed.

Waivers and Amendments:

Amendments and waivers of the provisions of the First Lien Credit Documentation will require the approval of First Lien Lenders holding commitments and/or outstandings (as appropriate) representing more than 50% of the aggregate commitments and outstandings under the First Lien Facilities (the "***Required First Lien Lenders***"), except that the consent of

each First Lien Lender directly and adversely affected thereby will be required with respect to (i) increases in commitment amounts of such First Lien Lender, (ii) reductions of principal, interest (other than default interest) or fees owing to such First Lien Lender, (iii) extensions of scheduled payments of any Loans (including at final maturity) of such Lender or times for payment of interest or fees owing to such First Lien Lender, (iv) modifications to the pro rata sharing and payment provisions, assignment provisions or the voting percentages and (v) releases of all or substantially all of the collateral; *provided*, that if any of the matters described above is agreed to by the Required First Lien Lenders, the Borrower shall have the right to either (x) substitute any non-consenting First Lien Lender by having its Loans and commitments assigned, at par, to one or more other institutions, subject to the assignment provisions described above, or (y) with the express written consent of the Required First Lien Lenders, terminate the commitment of, and repay the obligations owing to, any non-consenting First Lien Lender, subject to repayment in full of all obligations of the Borrower owed to such First Lien Lender relating to its loans under the First Lien Facilities and participations held by such First Lien Lender with, in the case of either preceding clause (x) or (y), the payment by the Borrower to each non-consenting First Lien Lender of the applicable Prepayment Fee (if such assignment or repayment occurs prior to the 24-month anniversary of the closing date); *provided*, the voting provisions shall also provide for customary class voting protections for each class of similarly situated loans to be agreed.

In addition, the First Lien Credit Documentation shall provide for the amendment (or amendment and restatement) of the First Lien Credit Documentation to provide for a new tranche of replacement term loans to replace all or part of the First Lien Facilities, subject to customary limitations (including as to tenor, weighted average life to maturity, "effective yield" and applicable covenants prior to the First Lien Maturity Date), with the consent of the First Lien Administrative Agent, the Borrower and the lenders providing such replacement term loans. The First Lien Credit Documentation shall also provide for customary provisions governing extension and refinancing facilities.

Indemnification; Expenses: The First Lien Credit Documentation will contain customary and appropriate provisions relating to indemnity, reimbursement, exculpation and other related matters.

Governing Law: All First Lien Credit Documentation shall be governed by the internal laws of the State of New York (except security documentation that the First Lien Administrative Agent determines should be governed by local law)."

1.22 Exhibit G to the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"**EXHIBIT G**

SUMMARY OF PRINCIPAL TERMS AND CONDITIONS
$13.5 MILLION RIGHTS OFFERING

Set forth below is a summary (the "***Rights Offering Term Sheet***") of the principal terms and conditions for the Rights (as defined below) for Blackhawk Mining LLC. This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the Rights (the "***Rights Documentation***"). Further, as the Rights Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the Rights Documentation for the final terms of the Rights. Capitalized terms not defined herein shall have the meaning attributed to them in the Asset Purchase Agreement (as defined below).

Issuer:	Blackhawk Mining LLC, a Kentucky limited liability company (the "***Issuer***").
Rights:	Rights to purchase for $13,500,000 in cash: • $16,875,000 principal amount of First Lien Tranche B-2 Term Loans, or, at the option of Buyer, First Lien Single Tranche Term Loan; and • $ 9,250,000 principal amount of Second Lien Term Loans (the "**Rights Offering Loans**") The Rights Offering Loans are described in the First Lien Term Sheet and the Second Len Term Sheet, attached.
Offered to: Coal	The Rights will be offered to holders of claims against Patriot Corporation ("***Patriot***") arising under or in connection with letters of credit ("***L/Cs***") issued and term loans ("***Term Loans***") made under the Credit Agreement (L/C Facility and Term Loan Facility) dated as of December 18, 2013, as amended, who are in each Qualified Institutional Buyers (as defined in Rule 144A). If the Rights are oversubscribed, Rights will be issued first to the L/Cs and second to Term Loans. Any oversubscription within a class shall be cut back pro rata.
Subscription:	Each holder of an L/C or Term Loan wishing to participate must: • Commit, in principle and in writing, to purchase Rights Offering Loans on or before ***11 p.m. on September 15, 2015; and*** • execute and pre-fund in escrow a subscription agreement (to be negotiated) on or before ***4 p.m. on October 2***

Conditions: To be set forth in the subscription agreement, including the fulfillment of each of the following conditions by ***October 19, 2015***:

- Patriot's consummation of a chapter 11 plan (the "***Plan***") that conveys to Issuer the assets identified in their Asset Purchase Agreement dated as of June 22, 2015, as amended (the "***APA***");
- Issuer's satisfaction of its obligations under the Plan and APA; and
- Issuer's refinancing of all of its indebtedness outstanding, as of the date hereof, through the issuance of first lien securities in the amounts and with the terms described in the First Lien Term Sheet."

1.23 Exhibit H to the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"**EXHIBIT H**

BLACKHAWK MINING LLC
$229 MILLION SECOND LIEN TERM LOAN
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Set forth below is a summary (the "***Second Lien Term Sheet***") of the principal terms and conditions for the Second Lien Term Loan (as defined below) for Blackhawk Mining LLC. This summary of terms is for indicative purposes only. It does not purport to summarize all terms of the definitive documentation with respect to the Second Lien Term Loan (the "***Second Lien Credit Documentation***"). Further, as the Second Lien Credit Documentation is not fully negotiated, these terms are subject to change in all respects, and reference should be made to the Second Lien Credit Documentation for the final terms of the Second Lien Term Loan. Capitalized terms not defined herein shall have the meaning attributed to them in the Asset Purchase Agreement dated as of June 22, 2015 among the Borrower, Patriot Coal Corporation and the other parties thereto (as may be amended, amended and restated or otherwise modified from time to time, the "***Asset Purchase Agreement***").

Borrower: Blackhawk Mining LLC, a Kentucky limited liability company (the "***Borrower***").

Second Lien Administrative Agent: Deutsche Bank AG New York Branch ("***DBNY***") will act as sole administrative agent and collateral agent (in such capacities, the "***Second Lien Administrative Agent***") for the second lien lenders (the "***Second Lien Lenders***"), and will perform the duties customarily associated with such roles.

Sole Lead Arranger and Book-Running Manager: Deutsche Bank Securities Inc. will act as sole lead arranger and sole book-running manager for the Second Lien Term Loan (as

defined below), and will perform the duties customarily associated with such roles.

Amount:[3] A senior secured second lien term loan facility with in an aggregate principal amount of up to $229,238,375.55 (the "***Second Lien Term Loan***").

Use of Proceeds: $192,238,375.55 of Second Lien Term Loans shall be distributed, on a pro rata basis, to holders of claims in such class in satisfaction of obligations under the Existing Patriot LC Facility. Up to $37.0 million of the Second Lien Term Loans (together with up to $71.4 million of First Lien Tranche B-2 Term Loan (as defined below) or First Lien Single Tranche Term Loan (as defined below)) shall be exchanged for $59.6 million in cash, $57.1 million of which shall be used to satisfy Existing Blackhawk Indebtedness of JR Acquisition, LLC. The consummation of such $59.6 million investment in the Borrower shall be a condition to the consummation of the other transactions contemplated herein.

Maturity: The maturity date of the Second Lien Term Loan shall be five and half years from the closing date (the "***Second Lien Maturity Date***").

Amortization: None.

Guaranties: All obligations under the Second Lien Term Loan will be guaranteed by each direct and indirect subsidiary of the Borrower other than:

(a) immaterial subsidiaries,

(b) foreign subsidiaries that are controlled foreign corporations ("***CFCs***") within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), and any subsidiaries of such CFCs,

(c) any subsidiary that has no material assets other than the equity and/or debt interests of one or more foreign subsidiaries that are CFCs ("***FSHCO***") and

(d) unrestricted subsidiaries (each, a "**Guarantor**" and, collectively, the "***Guarantors***", and, collectively with the Borrower, the "***Obligors***") shall be required to provide an unconditional guaranty on a joint and several

[3] **NTD**: All dollar figures assume the transactions contemplated herein are consummated on or before October 1, 2015 (it being understood such figures will be adjusted to account for the consummation of the transactions on October 19, 2015 or such other date as may be agreed).

basis (collectively, the "***Second Lien Guaranties***") of all amounts owing under the Second Lien Term Loan.

Such Guaranties shall be guarantees of payment and not of collection.

Security: Subject to the terms of the Intercreditor Agreements (as defined below), all amounts owing under the Second Lien Term Loan (and all obligations under the Second Lien Guaranties) will be secured by (x) a second priority perfected security interest in all stock, other equity interests, intercompany debt and promissory notes owned by the Borrower and the Guarantors ((1) limited to 65% of the voting stock and 100% of the non-voting stock in the case of equity interests of CFCs and FSHCOs and (2) excluding equity interests of unrestricted subsidiaries) and (y) a second priority security interest in substantially all domestic assets, including without limitation, substantially all personal property, owned real property and mixed property of the Borrower and the Guarantors, in each case subject to certain customary exceptions to be set forth in the Second Lien Credit Documentation.

New ABL: The Second Lien Term Loan shall provide that Borrower may obtain a separate first priority lien asset-backed lending facility (the "***New ABL***") of up to $[100] million with incremental capacity to increase the aggregate principal amount of the New ABL by $[50] million.

First Lien Facilities A senior secured first lien term facility with at the Borrower's option (x)(a) a term loan tranche in an aggregate principal amount of up to $329.8 million (the "***First Lien Tranche B-1 Term Loan***") and (b) a term loan tranche in an aggregate principal amount of up to $71.4 million (the "***First Lien Tranche B-2 Term Loan***" and together with the First Lien Tranche B-1 Term Loan, the "***First Lien Tranche B Term Loans***") or (y) a term loan tranche in an aggregate principal amount of up to $401.2 million (the "***First Lien Single Tranche Term Loan***" and together with the First Lien Tranche B Term Loans, the "***First Lien Term Loan***") and (c) a term loan tranche in the aggregate principal amount of up to $115.0 million, which will be payment subordinated to the First Lien Term Loan (the "***1.5 Lien Term Loan***" and together with the First Lien Term Loan (the "***First Lien Facilities***").

Intercreditor Agreements: The priority of the security interests in the collateral and related creditors' rights as among (i) the First Lien Facilities, (ii) the Second Lien Term Loan, (iii) the New ABL and (iv) any other debt will be set forth in one or more customary intercreditor agreements (the "***Intercreditor Agreements***"). The Intercreditor Agreements shall provide, among other things, the Second Lien Term Loan is secured by liens junior in all respects to the liens securing the New ABL, the First Lien Facilities. The Borrower's

existing $13 million letter of credit facility (the "***Existing LC Facility***") will be secured on a pari-passu basis with, will be guaranteed by the same Guarantors as and will be treated under the Intercreditor Agreements and the First Lien Credit Documentation (as defined below) as the same as the First Lien Term Loans. To the extent not refinanced by the First Lien Term Loan, indebtedness with respect to the Borrower's existing first lien credit agreement shall remain outstanding on a pari passu basis with the First Lien Term Loan on collateral that currently secures such indebtedness and guaranteed by the Guarantors that currently guarantee such indebtedness.

Mandatory Repayments: None; *provided*, that the Second Lien Credit Documentation may provide that prior to the close of each accrual period ending on or after the fifth anniversary of the issue date of the Second Lien Term Loan, the Borrower shall prepay the minimum amount of principal and accrued interest on the outstanding Second Lien Term Loan necessary to prevent any of the accrued and unpaid interest or original issue discount on the Second Lien Term Loan from being disallowed or deferred as a deduction under Section 163(e)(5) of the Internal Revenue Code (for the avoidance of doubt, taking into account Treasury Regulation Section 1.701-2(f)) (each such payment, an "AHYDO Catch-Up Payment")

Prepayment Fee: None.

Interest Rates: Second Lien Term Loan shall accrue interest as follows and, to the extent cash pay, payable semiannually in arrears on [●] and [●]:

(a) (i) 2.00% cash coupon for periods ending in 2016,

(ii) 2.50% cash coupon for periods ending in 2017,

(iii) 3.50% cash coupon for periods ending in 2018,

(iv) 4.50% cash coupon for periods ending in 2019,

(v) 5.50% cash coupon for periods ending in 2020 and

(vi) 6.50% cash coupon for periods ending in 2021 and thereafter,

plus (b) 6.5% PIK.

Default Interest: Overdue principal, overdue interest and other overdue amounts shall bear interest at a rate per annum equal to 2% in excess of the rate then borne. Such interest shall be payable on demand.

Yield Protection: The Second Lien Term Loan shall include customary protective provisions for such matters as funding losses, illegality and withholding taxes.

Conditions Precedent: Usual and customary for facilities of this type.

Representations and Warranties: The Second Lien Credit Documentation will contain only the following representations and warranties (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed: (i) company status, (ii) power and authority, (iii) due authorization, execution and delivery and enforceability, (iv) no violation or conflicts with laws, contracts or charter documents, (v) governmental approvals, (vi) financial statements, financial condition, projections, (vii) absence of material litigation, (viii) true and complete disclosure, (ix) use of proceeds and compliance with margin regulations, (x) income and other material tax returns and payments, (xi) ERISA matters, (xii) compliance with law, (xiii) ownership of property, (xiv) creation, validity, perfection and priority (with appropriate modifications to reflect the second lien status of the Second Lien Term Loan) of security interests under the Security Documents (to be defined in the Second Lien Credit Documentation), (xv) ownership of subsidiaries, (xvi) inapplicability of Investment Company Act, (xvii) employment and labor relations, (xviii) intellectual property, franchises, licenses, permits, etc., (xix) environmental matters, (xx) existing indebtedness, (xxi) maintenance of insurance, (xxii) Patriot Act/"know your customer" laws, (xxiii) OFAC/anti-terrorism and sanctions laws and (xxiv) flood insurance.

Covenants: The Second Lien Credit Documentation will contain only the following covenants (applicable to the Borrower and its restricted subsidiaries), with materiality and other exceptions to be agreed (including customary fixed amount and ratio baskets to be agreed):

(a) ***Affirmative Covenants*** – (i) Compliance with laws and regulations (including, without limitation, ERISA and environmental laws); (ii) payment of income and other material taxes and other obligations; (iii) maintenance of adequate insurance; (iv) preservation of corporate existence, rights (charter and statutory), franchises, permits, licenses, copyrights, trademarks and patents necessary to the business; (v) visitation and inspection rights; (vi) keeping of proper books in accordance with generally accepted accounting principles; (vii) quarterly conference calls with lenders; (viii) maintenance of properties; (ix) further assurances as to perfection and priority of security interests and additional guarantors; (x) notice of defaults, material litigation and certain

other material events; (xi) financial and other reporting requirements (including, without limitation, unaudited quarterly and audited annual financial statements for the Borrower and its subsidiaries on a consolidated basis (in accordance with US GAAP), in each case with accompanying management discussion and analysis and, in the case of audited annual financial statements, accompanied by an opinion of a nationally recognized accounting firm (which opinion shall not be subject to any qualification as to "going concern" or scope of the audit), and budgets prepared by management of the Borrower and provided on an annual basis); (xii) use of proceeds; (xiii) maintenance of reserves for certain long-term liabilities and environmental matters; (xiv) change in fiscal year and fiscal quarter; (xv) performance of obligations and (xvi) designation of subsidiaries as "unrestricted subsidiaries" or "restricted subsidiaries". Such affirmative covenants shall include additional cushions, where customary, on thresholds (if any) to the First Lien Facilities of at least 20% greater than the thresholds under the definitive documentation for the First Lien Facilities (the "***First Lien Credit Documentation***").

(b) ***Negative Covenants*** – Restrictions (with exceptions to be agreed) on (i) liens; (ii) debt (including guaranties and other contingent obligations), with exceptions to include the Existing LC Facility, the First Lien Facilities, and the New ABL (and any incremental increases thereunder); (iii) mergers and consolidations; (iv) sales, transfers and other dispositions of property and assets (including sale-leaseback transactions but with exceptions to include (x) sales of inventory in the ordinary course of business and (y) sales of obsolete or worn out assets); (v) loans, acquisitions, joint ventures and other investments; (vi) dividends and other distributions to, and redemptions and repurchases from, equity holders (with exceptions for tax distributions in accordance with the LLC operating agreement of the Borrower, scheduled junior debt payments, expense reimbursements and other customary exceptions to be agreed); (vii) prepaying, redeeming or repurchasing junior lien, unsecured and subordinated debt; (viii) transactions with affiliates; (ix) restrictions on distributions, advances and asset transfers by subsidiaries; (x) issuances of certain equity interests, (xi) changes in the nature of business; (xii) amending organizational documents; (xiv) hedging obligations; (xv) negative pledges; and (xvi) accounting changes. Such negative covenants shall include additional cushions, where customary, on thresholds (if any) to the

First Lien Facilities of at least 20% greater than the thresholds under the First Lien Credit Documentation.

(c) ***Financial Covenant*** – None.

Unrestricted Subsidiaries: The Second Lien Credit Documentation will contain provisions pursuant to which, subject to no default or event of default, limitations on investments and other conditions to be set forth in the Second Lien Credit Documentation, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted subsidiary as a restricted subsidiary; *provided*, that no subsidiary may be designated as an unrestricted subsidiary if such subsidiary owns or operates Core Mining Property (to be defined in the Second Lien Credit Documentation). The designation of any subsidiary as an "unrestricted" subsidiary shall constitute an investment for purposes of the investment covenant in the Second Lien Credit Documentation, and the designation of any unrestricted subsidiary as a restricted subsidiary shall be deemed to be an incurrence of indebtedness and liens by a restricted subsidiary of any outstanding indebtedness or liens, as applicable, of such unrestricted subsidiary for purposes of the Second Lien Credit Documentation. Unrestricted subsidiaries will not be subject to the representations and warranties, affirmative or negative covenants or events of default provisions of the Second Lien Credit Documentation, and the cash held by, the results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining compliance with any financial tests contained in such Second Lien Credit Documentation.

Events of Default: The Second Lien Credit Documentation will include only the following Events of Default (to be applicable to the Borrower and its restricted subsidiaries) with certain customary exceptions, qualifications and grace periods to be set forth therein: (i) nonpayment of principal when due or interest, fees or other amounts after a grace period set forth in the Second Lien Credit Documentation; (ii) failure to perform or observe covenants set forth in Second Lien Credit Documentation, subject (where customary and appropriate) to notice and an appropriate grace period; (iii) any representation or warranty proving to have been incorrect in any material respect (or, in any respect, if qualified by materiality) when made or confirmed; (iv) cross-defaults and cross-acceleration to other indebtedness in an amount to be set forth in the Second Lien Credit Documentation; (v) bankruptcy, insolvency proceedings, etc. (with a customary grace period for involuntary proceedings); (vi) inability to pay debts, attachment, etc.; (vii) monetary judgment defaults in an amount to be set forth in the Second Lien Credit Documentation; (viii) customary ERISA defaults; (ix) actual invalidity of the security

documentation or the Second Lien Guarantees or impairment of security interests in the Collateral; (x) Change of Control (to be defined in the Second Lien Credit Documentation); (xi) the Intercreditor Agreements ceasing to be in full force and effect other than in accordance with their terms and (xii) cross-payment default at maturity and cross-acceleration default (instead of cross-default) to the First Lien Facilities. The rights and remedies with respect to any Events of Default shall be subject to the Intercreditor Agreements. Such Events of Default shall include cushions, where customary, on thresholds (if any) to the First Lien Facilities of at least 20% greater than the thresholds under the First Lien Credit Documentation.

Assignments and Participations:

The Borrower may not assign its rights or obligations under the Second Lien Term Loan without the prior written consent of the Second Lien Lenders. Any Second Lien Lender may assign, and may sell participations in, its rights and obligations under the Second Lien Term Loan, subject (x) in the case of participations, to customary restrictions on the voting rights of the participants and restrictions on participations to the Borrower and its affiliates and (y) in the case of assignments, to such limitations as set forth in the Second Lien Credit Documentation (including (i) a minimum assignment amount of $1,000,000 (or, if less, the entire amount of such assignor's commitments and outstanding Loans at such time), (ii) an assignment fee in the amount of $3,500 to be paid by the respective assignor or assignee to the Second Lien Administrative Agent, (iii) restrictions on assignments to any entity that is not an Eligible Transferee (to be defined in the Second Lien Credit Documentation), (iv) the receipt of the consent of the Second Lien Administrative Agent (other than with respect to assignments to any Second Lien Lender, its affiliates, or an "approved fund"), such consent not to be unreasonably withheld, delayed or conditioned and (v) the receipt of the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned); *provided*, that the Borrower's consent shall not be so required if (x) such assignment is to any Second Lien Lender, its affiliates or an "approved fund" of a Second Lien Lender, (y) during the "primary syndication" of the Second Lien Term Loan, or (z) a default or event of default exists under the Second Lien Term Loan; *provided, further*, that such consent of the Borrower shall be deemed to have been given if the Borrower has not responded within five (5) business days of a request for such consent.

The Second Lien Credit Documentation shall provide that the Borrower may offer to purchase loans under the Second Lien Term Loan at a discount to the par value of such loans through customary procedures to be agreed.

Waivers and Amendments: Amendments and waivers of the provisions of the Second Lien Credit Documentation will require the approval of Second Lien Lenders holding commitments and/or outstandings (as appropriate) representing more than 50% of the aggregate commitments and outstandings under the Second Lien Term Loan (the "***Required Second Lien Lenders***"), except that the consent of each Second Lien Lender directly and adversely affected thereby will be required with respect to (i) increases in commitment amounts of such Second Lien Lender, (ii) reductions of principal, interest (other than default interest) or fees owing to such Second Lien Lender, (iii) extensions of scheduled payments of any Loans (including at final maturity) of such Lender or times for payment of interest or fees owing to such Second Lien Lender, (iv) modifications to the pro rata sharing and payment provisions, assignment provisions or the voting percentages and (v) releases of all or substantially all of the collateral; *provided*, that if any of the matters described above is agreed to by the Required Second Lien Lenders, the Borrower shall have the right to either (x) substitute any non-consenting Second Lien Lender by having its Loans and commitments assigned, at par, to one or more other institutions, subject to the assignment provisions described above, or (y) with the express written consent of the Required Second Lien Lenders, terminate the commitment of, and repay the obligations owing to, any non-consenting Second Lien Lender, subject to repayment in full of all obligations of the Borrower owed to such Second Lien Lender relating to its loans under the Second Lien Term Loan and participations held by such Second Lien Lender.

In addition, the Second Lien Credit Documentation shall provide for the amendment (or amendment and restatement) of the Second Lien Credit Documentation to provide for a new tranche of replacement term loans to replace all or part of the Second Lien Term Loan, subject to customary limitations (including as to tenor, weighted average life to maturity, "effective yield" and applicable covenants prior to the Second Lien Maturity Date), with the consent of the Second Lien Administrative Agent, the Borrower and the lenders providing such replacement term loans. The Second Lien Credit Documentation shall also provide for customary provisions governing extension and refinancing facilities.

Indemnification; Expenses: The Second Lien Credit Documentation will contain customary and appropriate provisions relating to indemnity, reimbursement, exculpation and other related matters.

Governing Law: All Second Lien Credit Documentation shall be governed by the internal laws of the State of New York (except security documentation that the Second Lien Administrative Agent determines should be governed by local law)."

1.24 Exhibit I to the Asset Purchase Agreement is hereby deleted in its entirety.

2. **Entire Agreement; Waiver**. Except as specifically set forth above, all terms and conditions of the Asset Purchase Agreement shall remain in full force and effect. This Amendment shall be deemed to form an integral part of the Asset Purchase Agreement and shall be governed by the law of the State of Delaware. In the event of any inconsistency or conflict between the provisions of the Asset Purchase Agreement and this Amendment, the provisions of this Amendment will prevail and govern. Notwithstanding anything herein to the contrary, this Amendment shall not operate as, or be deemed to be, a waiver by any party hereto of any term or condition in, or any right, power or privilege, remedy or defense under, the Asset Purchase Agreement, all of which are hereby expressly reserved.

3. **Successors and Assigns**. The provisions of this Amendment shall be binding on and shall inure to the benefit of the parties and their permitted successors and assigns.

4. **Counterparts**. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKHAWK MINING LLC

By: _____
Name: Nicholas Glancy
Title: President

PATRIOT COAL CORPORATION, on behalf of the Sellers and in its capacity as Sellers' Representative

By: _____
Name: Robert W. Bennett
Title: President and CEO

Exhibit A

Updated Disclosure Schedules

[See attached.]

EXHIBIT T

Coronado APA

ASSET PURCHASE AGREEMENT

dated as of

September 18, 2015

by and among

CORONADO MINING, LLC,

PATRIOT COAL CORPORATION,

THE SUBSIDIARIES OF PATRIOT COAL CORPORATION LISTED ON SCHEDULE A HERETO

and

PATRIOT COAL CORPORATION,
AS SELLERS' REPRESENTATIVE

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ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this "**Agreement**"), dated as of September 18, 2015 (the "**Effective Date**"), is by and among Coronado Mining, LLC, a Delaware limited liability company ("**Buyer**"), Patriot Coal Corporation, a Delaware corporation ("**Patriot**"), the Subsidiaries (as hereinafter defined) of Patriot that are set forth on Schedule A (collectively, the "**Patriot Subsidiaries**", and together with Patriot, the "**Sellers**") and Patriot, as Sellers' Representative ("**Sellers' Representative**"). The Sellers, Buyer and Sellers' Representative are referred to herein individually as a "**Party**" and collectively as the "**Parties**".

W I T N E S S E T H :

WHEREAS, Patriot and the Patriot Subsidiaries conduct a business that mines, processes, markets and sells coal through certain mining complexes;

WHEREAS, on May 12, 2015 (the "**Petition Date**"), Patriot and its Subsidiaries filed petitions as debtors in possession under Chapter 11 of the Bankruptcy Code (as hereinafter defined) in the United States Bankruptcy Court for the Eastern District of Virginia (the "**Bankruptcy Court**");

WHEREAS, Buyer desires to purchase certain assets and assume certain liabilities of the Sellers, and the Sellers desire to sell certain assets and transfer certain liabilities of the Sellers, upon the terms and subject to the conditions hereinafter set forth;

WHEREAS, upon the terms and conditions set forth herein, the Parties intend to effectuate the transactions contemplated by this Agreement (the "**Transaction**") pursuant to a plan of reorganization of the Sellers under Chapter 11 of the Bankruptcy Code (such plan, the "**Plan**"); and

WHEREAS, the execution and delivery of this Agreement and the Sellers' ability to consummate the Transaction are subject, among other things, to the authorization of the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code and is expected to be consummated concurrently with the effective date of the Plan (the "**Plan Effective Date**").

NOW, **THEREFORE**, in consideration of the premises and mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 Definitions. As used herein, the following terms have the following meanings:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, formal inquiry, audit, notice of violation, proceeding or litigation, whether civil, criminal, administrative, regulatory, at law, in equity or otherwise.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

"**Alternative Transaction**" means (i) the filing of a plan of reorganization contemplating the sale or retention of all or any material portion of the Purchased Assets that is inconsistent with the terms of this Agreement or (ii) a sale, lease or other disposition directly or indirectly by merger, consolidation, tender offer, share exchange or otherwise to one or more third parties of all or any material portion of the Purchased Assets (whether in one or a series of transactions).

"**Applicable Law**" means, with respect to any Person, any transnational, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, reporting or licensing requirement or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person or its assets, Liabilities or business, as amended unless expressly specified otherwise.

"**Assumed Leases**" means, specifically excluding any Excluded Assets, (a) the real property leases and subleases within the red boundaries of the maps included as an exhibit to Schedule 1.01(a)(v) or Schedule 1.01(a)(vi) or as otherwise listed in Schedule 2.01(q) or Schedule 3.06(a)(i), and (b) all real property or real property interests leased or subleased by a Seller pursuant to such leases and subleases within the red boundaries of the maps included as an exhibit to Schedule 1.01(a)(v) or Schedule 1.01(a)(vi) or as otherwise listed in Schedule 2.01(q) or Schedule 3.06(a)(i), together with any and all underground and surface coal reserves, mineral rights, mining rights, surface rights, rights of way, easements, fixtures and improvements set forth in, and all unrecouped minimum, advance or prepaid production royalties with respect to, such leases and subleases.

"**Avoidance Action**" means any avoidance, preference or recovery, claim, action or proceeding arising under Chapter 5 of the Bankruptcy Code or under any similar state or federal law.

"**Bankruptcy Case**" means the case commenced by the Sellers under Chapter 11 of the Bankruptcy Code, styled *In re Patriot Coal Corporation, et al.*, Case No. 15-32450 (KLP) (E.D.Va., filed May 12, 2015) and pending before the Bankruptcy Court.

"**Bankruptcy Code**" means title 11 of the United States Code, sections 101 *et. seq*.

"**Bidding Procedures Order**" means that certain order entered by the Bankruptcy Court on June 23, 2015, approving the bidding procedures, as such order may be amended, supplemented or modified from time to time.

"**Black Lung Benefits Act**" means the Black Lung Benefits Act, title 30 of the United States Code, sections 901 *et seq.*, the Black Lung Benefits Reform Act of 1977, Pub. L. No. 95-239, 92 Stat. 95 (1978), the Black Lung Benefits Amendments of 1981, Pub. L. No. 97-119, 95 Stat. 1643, and the Black Lung Consolidation of Administrative Responsibility Act, Pub. L. No. 107-275, 116 Stat. 1925.

"**Black Lung Liabilities**" means any liability or benefit obligations related to black lung claims and benefits under the Black Lung Benefits Act, any similar state or local law, and occupational pneumoconiosis, silicosis or other lung disease liabilities and benefits arising under Applicable Law.

"**Business Day**" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"**Closing Date**" means the date of the Closing.

"**Coal Reserves**" means all of the coal located within a Purchased Mining Complex or a Purchased Reserve Area.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Contract**" means any note, bond, mortgage, indenture, agreement, lease, sublease, license, sublicense, contract, trust, instrument, arrangement, guarantee, purchase order or other commitment, obligation or understanding, whether oral or written, that is legally binding.

"**Contracts Assignment and Assumption Agreements**" means the Assignment and Assumption Agreements for the Assumed Contracts, substantially in the form attached hereto as EXHIBIT A.

"**Contract Notice**" has the meaning ascribed to such term in the Bidding Procedures Order.

"**Data Room**" means the IntraLinks, Inc. virtual data room at https://services.intralinks.com named "Project Patriot" established by the Sellers, and all its contents.

"**Deposit Escrow Agreement**" means that certain Escrow Agreement, dated as of the date hereof, by and among the Escrow Agent, Buyer and Seller Representative.

"**Disclosure Schedule**" means the disclosure schedule, dated the Effective Date, regarding this Agreement that has been provided by the Sellers to Buyer on the Effective Date.

"**Employee Benefit Plan**" means any "employee benefit plan" (as defined in ERISA Section 3(3), whether or not ERISA applies), "multiemployer plan" (as defined in Section 3(37)

or 4001(a)(3) of ERISA or Section 414(f) of the Code),"specified fringe benefit plan" (as defined in Section 6039(D) of the Code), and profit sharing, bonus, stock option, stock purchase, stock ownership, retirement, severance, deferred compensation, excess benefit, supplemental unemployment, post-retirement medical or life insurance, incentive, adoption assistance, or other insurance or plan, whether formal or informal, oral or written, that, in each case, is sponsored, maintained or contributed to, or required to be contributed to, by any of the Sellers or any ERISA Affiliate, or under which or with respect to any of the Sellers or any ERISA Affiliate has any Liabilities.

"**Encumbrance**" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, bailment (in the nature of a pledge or for purposes of security), deed of trust, grant of a power to confess judgment, conditional sales and title retention agreement (including any lease or license in the nature thereof), claim, easement, encroachment, right of way, charge, condition, equitable interest, restriction or encumbrance of any kind.

"**Environmental Law**" means any Applicable Law relating to: (i) the pollution, protection or reclamation of the environment or (ii) any spill, emission, release or disposal into the environment of, or human exposure to, any pollutant, contaminant or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material.

"**Equity Financing**" means the equity financing to be provided pursuant to the Equity Commitment Letter.

"**Equity Financing Sources**" means The Energy & Minerals Group Fund II, LP; EMG Fund II Offshore Holdings, LP; EMG Fund II Dutch Offshore Holdings, LP; The Energy & Minerals Group Fund III, LP; EMG Fund III Offshore Holdings, LP; The Energy & Minerals Group Fund IV, LP; and EMG Fund IV Offshore Holdings, LP.

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

"**ERISA Affiliate**" means each Person that is treated as a single employer with any of the Sellers for purposes of Code Section 414.

"**Excluded Mining Complexes**" means, collectively, the mining complexes set forth on Schedule 1.01(a)(i) whether or not within the red boundaries of the maps included as an exhibit to Schedule 1.01(a)(v).

"**Existing Patriot ABL Agent**" means Deutsche Bank AG New York Branch, or any successor thereto in its capacity as administrative agent under the Existing Patriot ABL Facility.

"**Existing Patriot ABL Facility**" means that certain Credit Agreement, dated as of December 18, 2013, by and among Patriot, as parent borrower, the other Subsidiaries of Patriot party thereto as borrowers, the Existing Patriot ABL Agent, and the other lenders and letter of credit issuers party thereto, as such credit agreement may be amended, restated, supplemented,

modified, refinanced or replaced from time to time in accordance with the terms thereof and hereof.

"**Existing Patriot DIP Facility**" means that certain Superpriority Secured Debtor-in-Possession Credit Agreement, dated as of May 13, 2015, by and among Patriot, as borrower, Cantor Fitzgerald Securities, as administrative agent, and the other lenders party thereto, as such credit agreement may be amended, restated, supplemented, modified, refinanced or replaced from time to time in accordance with the terms thereof and hereof.

"**Existing Patriot First Lien Term Loan**" means Patriot's outstanding "Term Loan" under (and as defined in) that certain Credit Agreement (L/C Facility and Term Facility), dated as of December 18, 2013, by and among Patriot, as borrower, Barclays Bank PLC, as the "L/C administrative agent", Cortland Capital Markets Services LLC, as the "term administrative agent", and the lenders party thereto.

"**Existing Patriot LC Facility**" means, collectively, those outstanding letters of credit issued for the account of Patriot and its Subsidiaries under that certain Credit Agreement (L/C Facility and Term Facility), dated as of December 18, 2013, by and among Patriot, as borrower, Barclays Bank PLC, as the "L/C administrative agent", Cortland Capital Markets Services LLC, as the "term administrative agent", and the lenders party thereto.

"**Existing Patriot Second Lien PIK Notes**" means those certain 15.0% Senior Secured Second Lien PIK Toggle Notes due December 15, 2023, issued in connection with that certain indenture, dated as of December 18, 2013, by and between Patriot, as issuer, and U.S. Bank National Association, as indenture trustee.

"**Existing Patriot Secured Debt**" means all Indebtedness, Liabilities and claims arising under and in connection with the Existing Patriot ABL Facility, the Existing Patriot DIP Facility, the Existing Patriot LC Facility, the Existing Patriot First Lien Term Loan, and the Existing Patriot Second Lien PIK Notes.

"**Final Order**" means an order or judgment of the Bankruptcy Court (or any other court of competent jurisdiction) entered by the clerk of the Bankruptcy Court (or such other court) on the docket in the Bankruptcy Cases (or the docket of such other court), which is and remains in full force and effect, has not been modified, amended, reversed, vacated or stayed and as to which (i) the time to appeal, petition for certiorari, or move for a new trial, re-argument or rehearing has expired and as to which no appeal, petition for certiorari or motion for new trial, re-argument or rehearing shall then be pending or (ii) if an appeal, writ of certiorari new trial, re-argument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, re-argument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, re-argument or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure; *provided*, that the possibility that a

motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure, may be filed relating to such order, shall not cause an order not to be a Final Order.

"**Full Assessed Value of Pre-Closing MSHA Fines**" means the Pre-Closing MSHA Fines in the amount as initially proposed by the issuing Governmental Authority.

"**Fundamental Representations**" means the representations and warranties set forth in Section 3.01, Section 3.02, Section 3.03, the last sentence of Section 3.07(b), Section 4.01, Section 4.02, Section 4.03 and Section 4.07.

"**GAAP**" means generally accepted accounting principles in the United States, consistently applied.

"**General Assignments and Bills of Sales**" means the General Assignments and Bills of Sales for the Purchased Assets, substantially in the form attached hereto as EXHIBIT B.

"**Governmental Authority**" means any transnational, domestic or foreign federal, state, local, provincial, municipal, special purpose, administrative or other governmental or quasi-governmental authority or regulatory body, court, tribunal, arbitrating body, governmental department, commission, board, officer, self-regulating authority, taxing authority, bureau or agency, as well as any other instrumentality or entity designated to act for or on behalf of any of the foregoing.

"**Hazardous Material**" means any pollutant, contaminant or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material that in each case is regulated under any Environmental Law.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"**Indebtedness**" means, with respect to any Person, (i) all indebtedness for borrowed money, (ii) all indebtedness evidenced by notes, bonds, mortgage loans, term loans, debentures or other similar instruments, (iii) all obligations for the deferred purchase price of property or services (including any obligations relating to any earn-out or bonus payments, but excluding trade payables and operating expenses accrued in the ordinary course of business), (iv) all obligations under capitalized leases, (v) all guarantees (other than those made in the ordinary course of business) or other commitments by which such Person assures a creditor against loss (including contingent reimbursement obligations regarding letters of credit) with respect to Indebtedness of another Person, (vi) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to acquired property, (vii) all obligations under commodity swap agreements, commodity cap agreements, interest rate cap agreements, interest rate swap agreements, foreign currency exchange agreements and other similar agreements and (viii) all outstanding due and unpaid prepayment premiums, if any, and accrued interest, fees and expenses related to any of the items set forth in clauses (i) through (vii).

"**Independent Accounting Firm**" means an independent certified public accounting firm in the United States of good national reputation mutually acceptable to Sellers' Representative and Buyer.

"**Intellectual Property Right**" means any trademark, service mark, trade name, domain dame or URL, mas-work, software, invention, patent, trade secret, copyright, know-how (including any issuances, registrations or applications for registration of any of the foregoing) or any other similar type of intellectual property right of any nature anywhere in the world.

"**IP Assignment Agreement**" means an Intellectual Property Assignment and Transfer Agreement dated as of the Closing Date by and between Patriot and Buyer with respect to the Intellectual Property Rights set forth in Schedule 2.01(k), the terms of which shall be reasonably agreed to by the Parties.

"**Knowledge**" means (i) with respect to Buyer, to the knowledge of the officers of Buyer listed on Schedule 1.01(a)(ii), assuming reasonable inquiry and (ii) with respect to any Seller, to the knowledge of the officers of Sellers listed on Schedule 1.01(a)(iii), assuming reasonable inquiry.

"**Lease Assignment and Assumption Agreements**" means the Lease Assignment and Assumption Agreements for the Assumed Leases owned by the Sellers or any of their Subsidiaries, substantially in the form attached hereto as EXHIBIT C.

"**Liabilities**" means all existing or future liabilities, debts, obligations, duties, or adverse claims of any Seller and any Seller's Affiliates and ERISA Affiliates of every type and trade, whether matured or unmatured, fixed or contingent, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, direct or indirect, or otherwise in respect of any and all matters or events, including those arising under Applicable Law, or imposed by any court or arbitrator of any kind, and those arising in connection with coal or other products sold, Contracts, Leases, commitments or undertakings, including all liabilities arising out of or related to the sponsorship of, the responsibility for, contributions to, or any liability in connection with any Employee Benefit Plan. Without limiting the foregoing, Liabilities shall include any continuation coverage (including any penalties, excise taxes or interest resulting from the failure to provide continuation coverage) required by Applicable Law due to qualifying events, including continuing coverage for any of the Sellers' employees terminated prior to the Closing Date or whose employment is terminated in connection with the transaction contemplated hereby, or who are not hired by Buyer in connection with the transaction contemplated hereby, whether or not said Liabilities are reflected on the books of such Seller.

"**Loss(es)**" means all losses, Liabilities, obligations, damages, deficiencies, expenses, Actions, suits, proceedings, demands, assessments, interest, awards, penalties, fines, Taxes, costs and expenses of whatever kind (including reasonable attorneys' fees, court costs, expert witness fees, transcript costs and other expenses of litigation, costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers) and judgments (at law or in equity) of any nature.

"**Material Adverse Effect**" means any change, development, occurrence, circumstance or effect that has had or would reasonably be expected to have, individually or in the aggregate with all other changes, developments, occurrences, circumstances or effects, a material adverse effect on the condition (financial or otherwise), assets, liabilities, business or results of operations of the Purchased Business, taken as a whole, excluding any change, development, occurrence, circumstance or effect resulting from (A) changes in GAAP or changes in the regulatory accounting requirements applicable to any industry in which the Purchased Business operates, in each case following the Effective Date, (B) changes in financial or securities markets or general economic or political conditions in the United States or any other country or region, (C) changes (including changes of Applicable Law following the Effective Date) in general conditions in the primary industry in which the Purchased Business operates, (D) acts of war, sabotage or terrorism or natural disasters, (E) the announcement of the transactions contemplated by this Agreement or the Transaction Documents, (F) any action taken (or omitted to be taken) at the written request of Buyer or its Affiliates, (G) any failure by the Sellers or the Purchased Business to meet any projections or forecasts for any period occurring on or after the Effective Date, but the underlying basis for such failure may be taken into account in determining any such material adverse effect, (H) the filing of the Bankruptcy Case and operations of the Purchased Business in bankruptcy or (I) any action taken by Patriot or any Patriot Subsidiary that is required pursuant to this Agreement, in each case of clauses (A), (B), (C) and (D), to the extent the Purchased Business is not materially disproportionately affected thereby as compared with other participants in the primary industry in which the Purchased Business operates.

"**Modified Consent Decree**" means the Modified Consent Decree entered into by the Ohio Valley Environmental Coalition, Inc. et al. and Patriot Coal Corporation, et al., dated Nov. 15, 2012, in Civil Action No. 3:11-cv-00115, including any future amendments thereto.

"**Order**" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority of competent jurisdiction.

"**Owned Real Property**" means, specifically excluding any Excluded Assets, all real property, and all right, title and interest therein, owned by a Seller within the red boundaries of the maps included as an exhibit to Schedule 1.01(a)(v) or Schedule 1.01(a)(vi) or as otherwise listed in Schedule 3.05(a), together with all of such Seller's right, title and interest in and to the following, as it relates to the real property located at a Purchased Mining Complex (and as used in the operation of the Purchased Business as conducted) or as it relates to the real property located at a Purchased Reserve Area: (i) all buildings, structures and improvements located on such real property owned by such Seller, (ii) all improvements, fixtures, mine infrastructure, preparation plant structures and improvements, loadout structures and improvements, rail sidings, machinery, apparatus or equipment affixed to such real property owned by such Seller, (iii) all rights of way, easements, if any, in or upon such real property owned by such Seller and all right-of-way and other rights and appurtenances belonging or in any way pertaining to such real property interests owned by such Seller (including the right, title and interest of such Seller in and to any coal reserves, mineral rights, underground and surface coal and mining rights, royalty rights, support rights and waivers, subsidence rights or water rights relating or appurtenant to

such real property owned by such Seller), (iv) all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining such real property owned by such Seller, and (v) any leases out to third parties affecting such real property owned by such Seller, subject to any consents as may be required; in each case of the foregoing (i)-(v), whether or not such rights or instruments creating or evidencing such rights are specifically identified on Schedule 3.05(a).

"**Permit Transfer Agreements**" means the Permit Transfer Agreements with respect to the Transferred Permits dated as of the Closing Date between the applicable Sellers and Buyer, the terms of which shall be reasonably agreed to by the Parties.

"**Permitted Encumbrance**" means (i) Encumbrances that constitute Assumed Liabilities, (ii) statutory liens for Taxes (including real estate Taxes) and assessments (x) which are not yet due and payable or (y) which are being contested in good faith and for which adequate reserves have been established in the Financial Statements in accordance with GAAP, (iii) immaterial landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's statutory liens or other similar Encumbrances imposed by Applicable Law or arising in the ordinary course of business (any such Encumbrance having a value of $20,000 or less shall be considered immaterial), (iv) easements, covenants, conditions, restrictions and other similar Encumbrances on real property imposed by Applicable Law or arising in the ordinary course of business that do not materially detract from the value of the affected Purchased Real Property or do not materially interfere with the present use of such Purchased Real Property, (v) easements, rights-of-way, encroachments, boundary line disputes and other matters which would be disclosed by an accurate survey and inspection of the Purchased Real Property whether or not of record in the applicable recording offices, in each case which do not materially interfere with the present use of such Purchased Real Property, (vi) the leasehold estate or any sublease, license, or rights of occupancy in any Owned Real Property where a Seller is lessor or sublessor, (vii) any Encumbrance or claim affecting any Purchased Real Property that does not individually or in the aggregate interfere in any material respect with the present use of the Purchased Real Property subject thereto, (viii) local, county, state and federal laws, ordinances or governmental regulations including Environmental Laws and regulations, local building and fire codes, and zoning, conservation, or other land use regulations now or hereafter in effect relating to any Purchased Real Property which do not, in the aggregate, materially interfere with the present use of the Purchased Real Property subject thereto, (ix) Encumbrances securing obligations incurred in connection with the Existing Patriot DIP Facility, the Existing Patriot ABL Facility, the Existing Patriot LC Facility, the Existing Patriot First Lien Term Loan and the Existing Patriot Second Lien PIK Notes (provided that such Encumbrances described in this clause (ix) shall not attach to the Purchased Assets after giving effect to the Closing), or (x) those Encumbrances listed and described on Schedule 1.01(a)(iv).

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

"**Pre-Closing MSHA Fines**" means any monetary fines and penalties arising out of or relating to any mine operating or safety compliance matters related to the condition or operation of the Purchased Assets or the mining areas of the Purchased Business for which any Seller or any of its Affiliates have received a written notice of violation or notice of claim (or other written notice of similar legal intent or meaning) from any Governmental Authority on or prior to the Closing Date.

"**Pre-Closing Tax Period**" means (i) any Tax period ending on or before the Closing Date and (ii) with respect to a Tax period that commences before but ends after the Closing Date, the portion of such period up to and including the Closing Date.

"**Purchased Business**" means the business and operations of the Sellers (wherever such business and operations are situated or conducted) related to (i) the mining, processing, preparation, selling and shipping of coal and related operations conducted with respect to the Purchased Mining Complexes, (ii) the mineral development drilling, exploration and related operations conducted with respect to the Purchased Mining Complexes, (iii) the selling, marketing, purchasing and blending of coal and related operations, in each case with respect to the Purchased Mining Complexes, and (iv) the use, operation, and management of the Other Assets.

"**Purchased Mining Complexes**" means, collectively, the mining complexes set forth on, or otherwise within the red boundaries of the maps included as an exhibit to (as applicable), Schedule 1.01(a)(v) or Schedule 2.01(q).

"**Purchased Real Property**" means the Owned Real Property and the Assumed Leases.

"**Purchased Reserve Areas**" means, the areas set forth on Schedule 2.01(q) and, except as set forth in Schedule 1.01(a)(vii), the areas within the red boundaries of the maps included as an exhibit to Schedule 1.01(a)(vi).

"**Representatives**" means, with respect to any Person, its officers, directors, employees, counsel, accountants, advisors, agents, consultants, stockholders, partners, members, controlling persons and other representatives of such Person.

"**Seller Transaction Expenses**" means all unpaid fees, costs, charges, expenses, obligations, payments and awards that are incurred by the Sellers or their Affiliates in connection with, relating to or arising out of the preparation, negotiation, execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, including the cost and expenses of participation of Sellers' creditors and their respective advisors.

"**Subsidiary**" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time

owned or controlled, directly or indirectly, by that Person or one or more other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or a combination thereof.

"**Surface Mining Limitations**" means the limitations set forth in the Modified Consent Decree with respect to "Large Scale Surface Mining", as such term is defined in the Modified Consent Decree, including the provisions set forth in Paragraphs 42 through 46 thereof.

"**Tax**" means (i) any and all taxes, charges, levies or other similar assessments or liabilities in the nature of a tax, including income, gross receipts, ad valorem, premium, value-added, net worth, capital stock, capital gains, documentary, recapture, alternative or add-on minimum, disability, estimated, registration, recording, excise, real property, personal property, extraction, unmined mineral, sales, use, license, lease, service, service use, transfer, withholding, employment, unemployment, insurance, social security, business license, business organization, environmental, workers compensation, payroll, employer health, profits, severance, stamp, occupation, windfall profits, customs, duties, gift, estate, franchise, production, inventory, unclaimed property, escheat and other taxes of any kind whatsoever imposed by a Governmental Authority, and any interest, fines, penalties, assessments or additions to tax imposed with respect to such items or any contest or dispute thereof or (ii) liability for the payment of any amounts of the type described in (i) as a result of being party to any agreement or any express or implied legal or contractual obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

"**Tax Return**" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Taxing Authority**" means any Governmental Authority having jurisdiction with respect to any Tax.

"**TPSL**" means all material third party software licenses necessary for the current operation of, and the current conduct of, the Purchased Business and the Purchased Assets.

"**Transaction Documents**" means the Contracts Assignment and Assumption Agreements, the General Assignments and Bills of Sales, the Lease Assignment and Assumption Agreements, the Permit Transfer Agreements, the Transition Services Agreement and each other document, agreement or instrument executed and delivered in connection herewith.

"**Transition Services Agreement**" means a Transition Services Agreement dated as of the Closing Date by and between Patriot and Buyer the terms of which shall be reasonably agreed to by the Parties, and will include providing Sellers reasonable access to corporate offices, employees, facilities, equipment, software, books and records included in the Purchased Assets necessary for the liquidation of Sellers.

"**UMWA**" means the United Mine Workers of America.

"**WARN Act**" means Worker Adjustment and Retraining Notification Act (or any similar state or local law).

"**Workers' Compensation Liabilities**" means any liabilities or benefit obligations related to workers' compensation claims and benefits arising under Applicable Law.

(a) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Agreement	Preamble
Allocation	2.06(d)
Allocation Statement	2.06(d)
Apportioned Taxes	2.07
Assumed Contracts	2.01(e)
Assumed Liabilities	2.03
Assumed SMCRA Permit	7.11(a)
Auction	5.08(c)
Bankruptcy Court	Recitals
Business Employee	9.01(a)
Business Records	5.05
Buyer	Preamble
Buyer Confidentiality Agreement	6.01
Buyer Indemnified Parties	11.01
Claim	11.03(a)
Closing	2.08
Coal Act	2.04(d)
Coal Inventory	2.01(d)
Collective Bargaining Agreement	9.01(b)
Combination Assumed Lease	5.13(a)
Combination Assumed Lease Sublessor	5.13(a)
Confirmation Order	10.02(g)
Counter Notice	11.03(a)
Cure Costs	2.05(a)
Delaware Courts	13.07
Deposit	2.06(a)
Deposit Escrow Agent	2.06(a)
e-mail	13.01
Effective Date	Preamble
End Date	12.01(b)
Equity Commitment Letter	4.10
Escrow Agent	2.06(b)
Escrow Agreement	2.06(b)

Term	**Section**
Escrow Fund	2.06(b)
Excluded Assets	2.02
Excluded Assumed Lease Permit	5.13(a)
Excluded Contracts	2.02(k)
Excluded Liabilities	2.04
Excluded NPDES Permit	7.11(a)
Excluded Permitted Area	5.13(a)
Excluded Pre-Closing Fines	2.03(e)
Excluded Sublease	5.13(b)
FCPA	3.17
Final DIP Order	13.17
Financial Statements	3.11
Hired Employees	9.02(a)
Initial Payment	2.06(a)
Insurance Policies	2.01(l)
Interim Period	7.03(a)(ii)
Licenses	3.07(a)(ii)
Litigation	3.13(a)
Material Contract	3.10
New NPDES Permit	7.11(a)
Non-Party Affiliates	13.16
Notice	11.03(a)
NPDES Interim Period	7.11(a)
Offered Employee	9.02(a)
Other Assets	2.01(q)
Overlapping NPDES Areas	7.11(a)
Party	Preamble
Patriot	Preamble
Patriot Subsidiaries	Preamble
Permits	3.07(a)(i)
Personal Property, Equipment and Fixed Assets	2.01(c)
Plan	Recitals
Plan Effective Date	Recitals
Purchase Price	2.06
Purchased Assets	2.01
Reference Date	3.12
Removed Contract	2.05(c)
Sellers	Preamble
Sellers' Representative	Preamble
Transaction	Recitals
Transfer Taxes	8.01(b)
Transferred Permits	2.01(g)

Term **Section**

Section 1.02 Other Definitional and Interpretative Provisions. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or Contract are to that agreement or Contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law. With respect to the defined term "Purchased Assets," in the event of any conflict or inconsistency between the provisions of this Agreement and those in the Schedules of this Agreement, the provisions of the Schedules of this Agreement shall prevail.

ARTICLE 2
PURCHASE AND SALE

Section 2.01 Purchase and Sale. Except as otherwise provided below, upon the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from the Sellers, and the Sellers agree to sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Buyer at the Closing, free and clear of all Encumbrances, other than Permitted Encumbrances, all of the Sellers' right, title and interest in, to and under the following assets and properties owned, held or used in the conduct of the Purchased Business by the Sellers (the "**Purchased Assets**"):

(a) the Owned Real Property;

(b) the Assumed Leases;

(c) except as set forth on Schedule 2.02(j), all personal property, equipment, fixed assets and other tangible assets (including all mobile mining equipment, all non-mining assets

and all parts, supplies, tires, components and other personal property) owned by any Seller and all other personal property, equipment, fixed assets and tangible assets located at the Sellers' loadouts, preparation plants, active mining areas, reclamation areas, coal storage areas, corporate offices, Purchased Reserve Areas and Purchased Real Property, including the personal property, equipment, fixed assets and other tangible assets, including, but not limited to, as allocated by Purchased Mining Complex and set forth on Schedule 2.01(c), and all of the Sellers' and their respective Subsidiaries' rights under warranties, indemnities, licenses, and all similar rights against third parties with respect to such personal property, equipment, fixed assets and tangible assets, including such personal property, equipment, fixed assets and other tangible assets transferred from a Purchased Mining Complex or a Purchased Reserve Area to an Excluded Mining Complex following the Effective Date and prior to the Closing, but excluding all such personal property, equipment, fixed assets and other tangible assets otherwise located at the Excluded Mining Complexes as of the Effective Date (collectively, the "**Personal Property, Equipment and Fixed Assets**");

(d) all coal inventory owned by Sellers (i) at each Purchased Mining Complex, or (ii) produced from the Purchased Mining Complexes that is located at any docks or ports (the "**Coal Inventory**");

(e) all right, title and interest of the Sellers' now or hereafter existing, in, to and under (i) the Contracts listed on Schedule 2.01(e) (collectively, the "**Assumed Contracts**") and (ii) such other Contracts related to Purchased Mining Complexes or the Purchased Business that are entered into by a Seller in the ordinary course of business after the Effective Date as permitted pursuant to Section 5.01 and Section 5.02, in each case, as each such Contract may have been amended or otherwise modified prior to the date of this Agreement, unless rejected by Buyer;

(f) all security deposits made in the ordinary course of business for rent, electricity, telephone or other utilities related to the operation of the Purchased Business, other than any non-utility company security deposits made subject to an Order of the Bankruptcy Court;

(g) subject to Section 7.03, the Permits and Licenses set forth on Schedule 2.01(g) (collectively, the "**Transferred Permits**");

(h) all rights of the Sellers to use haul roads, utility easements and other rights of way and easements used in the operation of the Purchased Business;

(i) all books, records, files (including copies of personnel files relating to Hired Employees that are requested by Buyer prior to the Closing, to the extent permitted by Applicable Law), invoices, market research, customers, distributors and suppliers lists, promotional materials and other papers, whether in hard copy or computer format, related to the Purchased Assets or the Purchased Business, including any information relating to any Tax imposed on the Purchased Assets or the Purchased Business;

(j) subject to Section 6.04, all Avoidance Actions against the Persons set forth on Schedule 2.01(j) (which schedule shall be delivered on or prior to the Closing Date) with whom

it is necessary, as determined by Buyer in its discretion, for Buyer to conduct business in order to operate the Purchased Business, each of which will be released and waived;

(k) all Intellectual Property Rights in the computer programs, trade names and business names set forth in Schedule 2.01(k), and all documentation related thereto;

(l) all rights to proceeds under insurance policies that pertain to the Purchased Business (collectively, the "**Insurance Policies**") arising from claims or events occurring on or after the Effective Date;

(m) all goodwill;

(n) all claims, causes of action (other than Avoidance Actions), choses in action and rights of recovery, off-set and subrogation against third Persons to the extent related to the Purchased Assets or any Assumed Liabilities;

(o) all demands, reimbursements and rights of whatever nature, to the extent related to the foregoing Purchased Assets or any Assumed Liability (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment or components thereof, or arising from the breach by third parties of their obligations under the Assumed Contracts);

(p) except as set forth on Schedule 2.02(j), all Coal Reserves;

(q) those assets set forth on Schedule 2.01(q) (the "**Other Assets**");

(r) all records, data (including core drilling data and reserve data), designs (including engineering designs), blueprints, plans, specifications, diagrams, drawings, studies (including reserve studies and engineering studies), inspection reports, test reports, and engineering materials, in each case related to the Purchased Assets and together with any Intellectual Property Rights held therein by Sellers; and

(s) any and all Actions or counterclaims relating to any of the foregoing Purchased Assets and any Assumed Liabilities.

It is the intention of the Parties that Buyer acquire, lease or sublease all assets, properties and rights necessary for the operation of the Purchased Business as conducted, including all mining, processing, loading, transporting, marketing, and selling of coal and all reclamation activities, but excluding the Excluded Assets. Subject to Section 2.05(c), if, within twelve (12) months after the Closing, it is discovered that certain assets, properties or rights, including, rights under Contracts and fractional real property interests, owned, leased or subleased by the Sellers, other than the Excluded Assets, were not included in the Purchased Assets to be sold to Buyer, and such assets, properties or rights are needed by Buyer in the operation of the Purchased Business, including all mining, processing, loading, transporting, marketing, and selling of coal and all reclamation activities, then the Sellers shall use their commercially reasonable efforts to

assign, convey, lease or sublease, as applicable, such assets, properties, or rights to Buyer, in each case upon the reasonable request of Buyer, at no additional cost or expense to Buyer; *provided*, *however*, this obligation shall not include the assignment, conveyance, lease or sublease of any Excluded Asset other than Contracts which the parties mutually agree were omitted from Schedule 2.01(e) and shall not require the payment by any Seller of any consent or related fee to the extent the consent of a third party is required for such assignment or conveyance.

Section 2.02 Excluded Assets. Notwithstanding anything herein to the contrary, Buyer expressly understands and agrees that the following assets and properties of the Sellers (the "**Excluded Assets**") shall be excluded from the Purchased Assets:

(a) all of the Sellers' accounts receivable and cash and cash equivalents on hand and in banks, determined in accordance with GAAP and using the principles, methods and practices reflected in the preparation of the Financial Statements, other than the security deposits included in Purchased Assets pursuant to Section 2.01(f);

(b) all of the Permits, other than the Transferred Permits;

(c) the Insurance Policies and any proceeds for claims or events occurring prior to the Effective Date;

(d) all books, records, files and papers, whether in hard copy or computer format, prepared in connection with this Agreement or the transactions contemplated hereby and all minute books and corporate records of the Sellers;

(e) all rights of the Sellers arising under this Agreement or the transactions contemplated hereby;

(f) all refunds for Taxes that were incurred in a Pre-Closing Tax Period and paid by the Sellers, including those relating to the Purchased Business or the Purchased Assets, and all income Tax Returns of the Sellers, together with all books and records (including working papers) related thereto;

(g) all Tax assets (other than any prepaid Taxes subject to Section 2.07) and net operating losses of the Sellers;

(h) Subject to Section 6.04, all Avoidance Actions, or proceeds thereof, against Persons not set forth on Schedule 2.01(j) and all Avoidance Actions, or proceeds thereof, that relate solely to the Excluded Assets;

(i) all equity interests in Patriot and the Patriot Subsidiaries;

(j) the other assets, properties, leases, subleases and rights set forth on Schedule 2.02(j), together with any assets, properties, leases, subleases and rights that are not Purchased Assets (the "**Specifically Excluded Assets**");

(k) all right, title and interest of the Sellers now or hereafter existing, in, to and under all Contracts (other than the Assumed Contracts and any other Contracts included in the Purchased Assets pursuant to Section 2.01) (collectively, the "**Excluded Contracts**");

(l) all accounts, notes, chattel paper, negotiable instruments, receivables (whether current or non-current) and other current assets of the Sellers;

(m) all deposits (other than security deposits for rent, electricity, telephone or other utilities) and all prepaid or deferred charges and expenses, other than any charges and expenses subject to Section 2.07;

(n) all Employee Benefit Plans and all assets of, and Contracts and arrangements associated with, the Employee Benefit Plans;

(o) all security deposits made pursuant to an Order of the Bankruptcy Court, other than security deposits pertaining to utility companies;

(p) all personal property located within a Purchased Reserve Area (other than any personal property that, according to the Schedules of this Agreement, constitutes a Purchased Asset); and

(q) all assets and properties of the Sellers that are not (i) owned, held or used in the conduct of the Purchased Business or (ii) located within a Purchased Reserve Area.

Section 2.03 Assumed Liabilities. Except for the obligations and Liabilities specifically assumed by Buyer in this Section 2.03, Buyer shall not be deemed to have assumed or agreed to be responsible for any Seller's, or any of its Affiliates', Liabilities, whether or not arising out of the ownership and operation of the Purchased Assets or the Purchased Business. Upon the terms and subject to the conditions of this Agreement, effective at the time of the Closing, Buyer shall assume, become obligated for, and agree to pay and perform when due, subject to Section 2.04, only the following Liabilities (collectively, the "**Assumed Liabilities**"), and no other Liabilities:

(a) subject to Section 2.04(a), all Liabilities of the applicable Sellers arising after the Closing Date under the Purchased Real Property and the Assumed Contracts;

(b) all Liabilities arising out of or relating to the Transferred Permits, including (i) all reclamation and post-mining Liabilities at the Purchased Mining Complexes and (ii) obligations to replace bonds associated with the Transferred Permits;

(c) regulatory violations and obligations on or in relation to the Purchased Assets or the Transferred Permits arising post-Closing;

(d) all Liabilities arising out of or relating to (i) any mine operating or safety compliance matters from and after the date of Closing related to the condition or operation of the Purchased Assets or the mining areas of the Purchased Business and (ii) the Pre-Closing MSHA Fines;

(e) all Liabilities arising out of or relating to (i) the Purchased Assets' or the Purchased Business' compliance with Environmental Laws; and (ii) any environmental, safety or health conditions present at, under, or migrating from the Purchased Assets, including any arising from or related to a spill, emission, release, discharge or disposal into the environment of, or human exposure to, Hazardous Materials resulting from the operation of the Purchased Assets, *excluding*, in each of the preceding cases (i)-(ii), any monetary fines and penalties for which any Seller or any of its Affiliates have received a written notice of violation or notice of claim (or other written notice of similar legal intent or meaning) from any Governmental Authority on or prior to the Closing Date (whether or not disclosed on Schedules 3.08(a), (b) or (c), or Schedule 3.14) (such excluded fines and penalties, collectively, the "**Excluded Pre-Closing Fines**");

(f) except as provided in Section 7.03, all Liabilities of any kind or character resulting from or arising out of or in connection with Buyer's use, operation, possession or ownership of or interest in the Purchased Assets following the Closing, including during the Interim Period;

(g) (i) any and all claims relating to employee health and safety, including claims for injury, sickness, disease or death, of any Hired Employee, including any Workers' Compensation Liabilities, arising out of an event that occurs after the Closing; *provided*, that, with respect to claims relating to a cumulative injury (other than Black Lung Liabilities), the facts giving rise to such claim first occurring prior to the Closing, Sellers shall remain liable for their allocated portion of such claim, and (ii) any and all Black Lung Liabilities of any Hired Employee which Buyer is statutorily responsible for; and

(h) obligations set forth in (i) the Modified Consent Decree Ohio Valley Environmental Coalition, Inc. et al, dated Nov. 15, 2012, Civil Action No. 3:11-cv-00115, including the outfall treatment technology requirements therein; *provided, however,* that Buyer shall not assume the Surface Mining Limitations and excluding any subsequent amendments after September 1, 2015 unless agreed to in writing by Buyer and (ii) the Consent Decree with the United States et al, dated April 30, 2009, Civil Action No. 2:09-cv-0099, each solely to the extent applicable to the Transferred Permits and excluding any subsequent amendments after September 1, 2015 unless agreed to in writing by Buyer.

Section 2.04 Excluded Liabilities. Notwithstanding any provision in this Agreement or any other writing to the contrary, Buyer is assuming only the Assumed Liabilities and is not assuming any other Liability of the Sellers or any of their Affiliates of whatever nature, whether

presently in existence or arising hereafter and whether or not related to the Purchased Assets or the Purchased Business. All such other Liabilities shall be retained by and remain Liabilities of the applicable Seller (all such Liabilities not being assumed being herein referred to as the "**Excluded Liabilities**"). Notwithstanding any provision in this Agreement or any other writing to the contrary, the Excluded Liabilities include the following:

(a) all Liabilities of the applicable Sellers under (1) the Assumed Leases and the Assumed Contracts to the extent arising out of or relating to events, breaches or defaults thereunder occurring on or prior to the Closing Date, including any and all Cure Costs associated therewith and (2) the Excluded Contracts;

(b) all Liabilities arising out of or relating to Permits, other than the Transferred Permits, including (i) Liabilities arising out of or relating to all reclamation and post-mining Liabilities at the Excluded Mining Complexes, (ii) obligations to replace bonds associated with Permits, other than the Transferred Permits, and (iii) Liabilities arising out of regulatory violations in relation to Permits, other than the Transferred Permits;

(c) all Liabilities (including Taxes) associated (i) with any individual who is not a Hired Employee (whether arising before, on or after Closing), (ii) subject to Section 2.03(g), with any Person who is a Hired Employee;

(d) all Liabilities (i) under any collective bargaining agreements (including the Seller Collective Bargaining Agreement), (ii) under or relating to (A) the Employee Benefit Plans, and (B) compensation arrangements maintained or sponsored by Sellers, (iii) for retiree medical or other welfare benefits for any employees, including Liabilities under or in relation to the Coal Industry Retiree Health Benefit Act (the "**Coal Act**"), including as a successor to any obligation under the Coal Act, (iv) for or associated with contributions to the UMWA 1974 Pension Plan, including Sellers' withdrawal liabilities, or (v) for any common law successorship obligations in relation to the UMWA 1974 Pension Plan;

(e) all Liabilities for Taxes (i) of any Seller or its stockholders (or members) for any Tax period (including any liability of any Seller for the Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by Contract or otherwise) or (ii) arising from or attributable to the ownership of the Purchased Assets or the operation of the Purchased Business for any Pre-Closing Tax Period;

(f) other than as specifically set forth herein, all Liabilities of the Sellers or their Affiliates under any Indebtedness, including Indebtedness owed by any Seller to any direct or indirect Affiliate of such Seller, any obligations or liability under debtor in possession financing incurred by the Sellers or their Affiliates during the Bankruptcy Case and the Existing Patriot Secured Debt;

(g) subject to Section 2.03(g), all Black Lung Liabilities and Workers' Compensation Liabilities related to the Purchased Assets, including to and with respect to Business Employees

and former employees who worked or who were employed at the Purchased Assets, including, but not limited to, any such Black Lung Liabilities and Workers' Compensation Liabilities of the Sellers or any of their respective Affiliates with respect to any of their respective predecessors;

(h) all Liabilities with respect to the Seller Transaction Expenses;

(i) all Liabilities to the extent relating to or arising out of an Excluded Asset or otherwise not expressly enumerated in Section 2.03 as an Assumed Liability;

(j) any Excluded Pre-Closing Fines;

(k) all Liabilities arising out of or relating to any mine operating or safety compliance matters prior to the date of Closing related to the condition or operation of the Purchased Assets or the mining areas of the Purchased Business;

(l) all Liabilities related to Actions against any Seller or any of its Subsidiaries or related to the Purchased Assets or the operation of the Purchased Business, and in each case, arising out of or related to any occurrence or circumstance which has occurred or exists at or prior to the Closing;

(m) all Liabilities of any Seller or any of their Affiliates relating to or arising from unfulfilled commitments, quotations, purchase orders, customer orders or work orders prior to the Closing Date that are not validly and effectively assigned to Buyer pursuant to this Agreement;

(n) other than the Assumed Liabilities pursuant to Section 2.03(b), Section 2.03(d) and Section 2.03(e), all Liabilities arising out of, in respect of or in connection with the failure by any Seller or any of its Affiliates to comply with any Applicable Law or Order by any Governmental Authority including any such obligations or Liabilities arising as a result of any Seller's failure to comply with the terms of any Applicable Laws;

(o) all Liabilities with respect to any coal sales or other goods sold or any service provided by the Sellers or their Affiliates, to the extent arising out of or related to events occurring on or prior to Closing, including any such Liability or obligation (i) pursuant to any express or implied representation, warranty, agreement, coal specification undertaking or guarantee made by any Seller or any Affiliate of such Seller, or alleged to have been made by Seller or any Affiliate of such Seller, (ii) imposed or asserted to be imposed by operation of Applicable Law or (iii) pursuant to any doctrine of product liability, in each case to the extent arising out of or related to events occurring on or prior to Closing;

(p) other than the Assumed Liabilities pursuant to Section 2.03(e), all Liabilities with respect to any Action to the extent arising out of or relating to the operation of the Purchased Business or pertaining to the Purchased Assets, in each case prior to Closing; and

(q) all trade accounts payable, all accrued operating expenses and other current liabilities of the Sellers related to the Purchased Business.

Section 2.05 Assignment of Assumed Contracts and Rights; Cure Amounts. (a) The Sellers shall transfer and assign or cause to be transferred and assigned all Assumed Contracts and Assumed Leases to Buyer, and Buyer shall assume all Assumed Contracts and Assumed Leases from the Sellers, as of the Closing Date pursuant to section 365 of the Bankruptcy Code and the Confirmation Order. Buyer shall comply with all requirements of section 365 of the Bankruptcy Code necessary to permit such assignment and assumption. In connection with such assignment and assumption, Sellers shall cure (including through payment of money) all defaults under such Assumed Contracts and Assumed Leases to the extent required by section 365(b) of the Bankruptcy Code at the time of the assumption thereof and assignment to Buyer as provided hereunder (such amounts, the "**Cure Costs**"). The Cure Costs for each Assumed Contract are set forth opposite the name of each Assumed Contract set forth on Schedule 2.01(e) and for each Assumed Lease are set forth opposite the name of each Assumed Lease set forth on Schedule 3.06(a)(i).

(b) The Confirmation Order shall provide that as of the Closing, the Sellers shall assign or cause to be assigned to Buyer the Assumed Contracts and the Assumed Leases, each of which shall be identified by the name and date of the Assumed Contract (if available) and the Assumed Lease, the other party to the Assumed Contract and the Assumed Lease and the address of such party for notice purposes, all included on an exhibit attached to either the motion filed in connection with the Confirmation Order or a motion for authority to assume and assign such Assumed Contracts and Assumed Leases. Such exhibit shall also set forth the amounts necessary to cure any defaults under each of the Assumed Contracts and the Assumed Leases as determined by the Sellers based on the Sellers' books and records or as otherwise determined by the Bankruptcy Court.

(c) Notwithstanding anything herein to the contrary, to the extent the assignment of any Assumed Contract or Assumed Lease is, after giving effect to section 365 of the Bankruptcy Code, not permitted by law or not permitted without the consent of another Person, and such restriction cannot be effectively overridden or canceled by the Confirmation Order or other related Order of the Bankruptcy Court, then this Agreement shall not constitute an agreement to assign or an assignment or transfer of the same (each a "**Removed Contract**"), and, provided the Sellers and Buyer are otherwise in compliance with this Section 2.05(c), neither the Sellers nor Buyer shall be permitted to terminate this Agreement on the basis of the existence of a Removed Contract. Subject to Section 7.01, the Sellers and Buyer shall use commercially reasonable efforts to obtain any such required consent(s) and once obtained, such Removed Contract will be assigned and assumed as though it were one of the Assumed Leases or Assumed Contracts, as applicable. These commercially reasonable efforts shall not require any material payment or other material consideration from any Seller or Buyer (other than the Cure Costs, which shall be the responsibility of the Sellers), and any such consent shall contain terms and conditions acceptable to the Parties. If any such consent shall not be obtained, the Sellers and Buyer shall, subject to any approval of the Bankruptcy Court that may be required, use commercially

reasonable efforts for a period of twelve (12) months after the Closing, or until such earlier time as the Sellers liquidate, wind-down or otherwise cease operations, to obtain for Buyer the benefits and burdens thereunder. These commercially reasonable efforts shall not require any material payment or other material consideration from any Seller or Buyer (other than the Cure Costs, which shall be the responsibility of the Sellers).

Section 2.06 Purchase Price; Allocation of Purchase Price. On the terms and subject to the conditions set forth in this Agreement, Buyer shall, as consideration for the Purchased Assets, in addition to the assumption by Buyer of the Assumed Liabilities pay to the Sellers an aggregate of $250,000,000 (the "**Purchase Price**") payable as follows:

(a) On or prior to the date hereof, Buyer shall, by wire transfer of immediately available funds, deposit $17,000,000 (the "**Deposit**"), to Signature Bank, a New York State chartered bank, as escrow agent (the "**Deposit Escrow Agent**"), to be held in a segregated, interest-bearing account and disbursed pursuant to the Deposit Escrow Agreement;

(b) $10,000,000 will be deposited in escrow (the "**Escrow Fund**") with Signature Bank, a New York State chartered bank, as escrow agent (the "**Escrow Agent**"), to be held as security for Sellers' obligations under Article 11 according to an escrow agreement in substantially the form attached hereto as EXHIBIT D (the "**Escrow Agreement**"), to be executed and delivered by Buyer and Patriot, on behalf of the Sellers and in its capacity as Sellers' Representative, at Closing; and

(c) The Purchase Price *less* the Deposit and *less* the Escrow Fund ("**Initial Payment**") will be payable to Patriot at the Closing in immediately available funds.

(d) Within one hundred twenty (120) days following the Closing Date, Buyer shall deliver to Sellers' Representative a statement (the "**Allocation Statement**"), allocating the Purchase Price (plus Assumed Liabilities, to the extent properly taken into account under Section 1060 of the Code) among the Purchased Assets in accordance with Section 1060 of the Code and the U.S. Treasury regulations thereunder (and any similar provision of state, local or non-U.S. law, as appropriate), as of the Closing Date (the "**Allocation**"). The Allocation shall be considered final and binding on the parties, unless, within 30 days after the delivery of the Allocation Statement, Sellers' Representative notifies Buyer that it has a good faith objection to the Allocation set forth in the Allocation Statement. If Sellers' Representative makes such an objection, Buyer and Sellers' Representative shall work in good faith to resolve such dispute within twenty (20) days from the date Sellers' Representative delivers the objection to Buyer. In the event that Buyer and Sellers' Representative are unable to resolve such dispute within the twenty (20) day period, the issue(s) in dispute will be submitted to the Independent Accounting Firm for resolution. The determination of the Independent Accounting Firm shall be final, binding, and conclusive on the Parties. Buyer, on the one hand, and the Sellers, on the other hand, shall each bear fifty (50%) of the fees and expenses of the Independent Accounting Firm. In the event of any adjustments to the Purchase Price, the Parties shall cooperate to adjust the Allocation in accordance with the principles of this Section 2.06(d).

(e) The Sellers and Buyer agree to (i) be bound by the Allocation (as determined pursuant to clause (d) above) for purposes of determining Taxes and (ii) act in accordance with the Allocation in the preparation, filing and audit of any Tax Return (including filing Form 8594 with their U.S. federal income Tax Returns for the taxable year that includes the Closing Date); *provided, however*, that nothing contained herein shall prevent Buyer or the Sellers from settling any proposed deficiency or adjustment by any Taxing Authority based upon or arising out of the Allocation, and neither Buyer nor the Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any Taxing Authority challenging such Allocation.

Section 2.07 Apportionment and Real Property and Personal Property Pro-ration Matters. All rentals and royalties, excluding all un-recouped minimum royalties existing as of the Closing which shall be transferred to Buyer with the Assumed Leases, payable by Sellers to the lessors or sublessors under the Assumed Leases shall be apportioned as of the Closing Date (on a per diem basis to the extent practicable); *provided, however*, that the Parties agree that Buyer shall be liable for and shall timely pay all royalties, production taxes and severance taxes attributable to all Coal Inventory included in the Purchased Assets pursuant to Section 2.01(d). All ad valorem Taxes (including, for the avoidance of doubt, real property Taxes) and unmined mineral Taxes due and payable and levied with respect to all Owned Real Property, all Assumed Leases and all personal property constituting the Purchased Assets and any portion thereof for the year in which the Closing occurs shall be prorated per diem as of the Closing Date, with Sellers responsible for all such Taxes applicable to the period prior to and including the Closing Date and with Buyer responsible for all such Taxes applicable to the period after the Closing Date. If the amount of any such Taxes is not known as of the Closing Date, such Taxes shall be prorated based on the Tax bills for the immediately preceding year, and the Parties will, on a post-Closing basis, re-prorate such Taxes once the actual Taxes are known in accordance with the previous sentence, and shall remit to each other any amounts owed in accordance with Section 8.01(d). Each Seller shall, on or prior to the Closing Date, pay all assessments and ad valorem Taxes owed by such Seller and levied with respect to the Purchased Assets due and payable for all periods prior to the Closing Date. Each Seller shall cause, to the extent reasonably practical, all meters measuring the consumption of water, gas, electricity or other utilities to be read prior to the Closing Date, and the apportionment to be made on account of such utilities shall be made pursuant to such readings; *provided, however,* that if and to the extent the meter readings cannot be obtained prior to the Closing Date, the apportionment of utilities at Closing shall be completed based upon the average of the three (3) months' prior bills. The Taxes apportioned pursuant to this Section 2.07 shall be referred herein as the "**Apportioned Taxes**". At the Closing, the Sellers shall provide evidence reasonably satisfactory to Buyer that all amounts payable by the Sellers pursuant to this Section 2.07 have been paid in full, or, to the extent such evidence is not provided or any such amounts have not yet been paid in full or are not yet due by the Closing, the Sellers shall set aside in a segregated account, and make available to Buyer, cash, whether from the proceeds of the Existing Patriot DIP Facility or otherwise, in an amount necessary for the Sellers to satisfy their obligations pursuant to this Section 2.07 at the Closing. Subject to Section 8.01(d), to the extent that Sellers have pre-paid any amounts payable by Buyer pursuant to this Section 2.07, Buyer shall pay cash to Sellers in an amount necessary to satisfy their obligations pursuant to this Section 2.07.

Section 2.08 Closing. The closing (the "**Closing**") of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities hereunder shall take place at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, as soon as possible, but in no event later than three (3) Business Days, after satisfaction or, to the extent permissible, waiver by the Party or Parties entitled to the benefit of the conditions set forth in Article 10 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place (including remotely via the electronic exchange of documents) as Buyer and the Sellers may agree.

Section 2.09 Delivery of Purchased Assets and Procedure at Closing. At the Closing, the Sellers shall deliver to Buyer the following:

(a) the General Assignments and Bills of Sale for the Purchased Assets duly executed by the applicable Sellers;

(b) the Lease Assignment and Assumption Agreements to Buyer for the Assumed Leases duly executed by the applicable Sellers;

(c) the Contracts Assignment and Assumption Agreements to Buyer for the Assumed Contracts duly executed by the applicable Sellers;

(d) deeds (or other such similar instruments of conveyance in the form required in a particular jurisdiction where the Owned Real Property is located) to the Owned Real Property in recordable form, duly executed by the applicable Sellers;

(e) all documents of title and instruments of conveyance (duly executed by the applicable Sellers) necessary to transfer record and/or beneficial ownership to Buyer of all automobiles, trucks and trailers owned by the Sellers (and any other Purchased Assets owned by the Sellers which require execution, endorsement and/or delivery of a document in order to vest record or beneficial ownership thereof in Buyer) which are included in the Purchased Assets;

(f) the Permit Transfer Agreements duly executed by the applicable Sellers;

(g) the IP Assignment Agreement duly executed by the applicable Sellers;

(h) the Escrow Agreement duly executed by Sellers' Representative, on behalf of Sellers;

(i) by reasonable advance notice, such other deeds, endorsements, assignments and other instruments (duly executed by the applicable Sellers) as are reasonably necessary in the industry of the Purchased Business to vest in Buyer title to the Purchased Assets;

(j) a certificate, dated the Closing Date and signed by an authorized officer of Patriot pursuant to Section 10.02(c) hereof;

(k) a copy of the Confirmation Order entered by the Bankruptcy Court;

(l) to the extent in the possession of any of the Sellers, original execution copies of all Assumed Leases;

(m) the Transition Services Agreement duly executed by the applicable Sellers;

(n) from each Seller, a certification that it is not a foreign person in accordance with Section 1445 of the Code; and

(o) all other documents required to be delivered by the Sellers on or prior to the Closing Date pursuant to this Agreement.

Section 2.10 Buyer's Deliveries at Closing.

At the Closing, Buyer shall deliver to the Sellers, or to such other Person as indicated below:

(a) the Initial Payment;

(b) the Escrow Fund, to the Escrow Agent;

(c) the General Assignments and Bills of Sale for the Purchased Assets duly executed by Buyer;

(d) the Lease Assignment and Assumption Agreements to Buyer for the Assumed Leases duly executed by Buyer;

(e) the Contracts Assignment and Assumption Agreements for the Assumed Contracts duly executed by Buyer;

(f) the Permit Transfer Agreements duly executed by Buyer;

(g) the IP Assignment Agreement duly executed by Buyer;

(h) the Transition Services Agreement duly executed by Buyer;

(i) the Escrow Agreement duly executed by Buyer;

(j) to the extent not previously delivered, binding commitments from sureties sufficient to replace all existing reclamation and surety bonds of the Sellers relating to the Transferred Permits;

(k) a certificate, dated the Closing Date and signed by the Chief Executive Officer or Chief Financial Officer of Buyer pursuant to Section 10.03(d) hereof; and

(l) all other documents required to be delivered by Buyer on or prior to the Closing Date pursuant to this Agreement.

Section 2.11 Withholding. Buyer and its Affiliates shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to the Sellers or any other Person such amounts as Buyer or its Affiliates is required to deduct and withhold under the Code, or any Tax law, with respect to the making of such payment. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

Section 2.12 Simultaneous Transactions. All actions taken and transactions consummated at the Closing shall be deemed to have occurred simultaneously, and no such transaction shall be considered consummated unless all are consummated.

Section 2.13 Supplemental Assignments. As reasonably required by Buyer in order to effectuate the transactions contemplated by this Agreement, each Party shall also execute and deliver at (and after) the Closing such other assignments, bills of sale, certificates of title and other documents, and shall take such other actions, as are necessary or appropriate to transfer the Purchased Assets to Buyer.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as expressly set forth in the Schedules, each Seller represents and warrants, on a joint and several basis with the other Sellers, to Buyer, as of the date of this Agreement and as of the Closing Date, that:

Section 3.01 Corporate Existence and Power. Such Seller is a corporation or limited liability company, as applicable, duly incorporated or duly formed, as applicable, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation, as applicable, and has all corporate or limited liability company powers and all governmental licenses, authorizations, qualifications, permits, consents and approvals required to carry on the Purchased Business as now conducted by such Seller, except for those licenses, authorizations, qualifications, permits, consents and approvals the absence of which would not have a Material Adverse Effect.

Section 3.02 Corporate Authorization. The execution, delivery and performance by such Seller of this Agreement and each Transaction Document and the consummation of the transactions contemplated hereby and thereby are within such Seller's corporate or limited liability company, as applicable, powers and have been duly authorized by all necessary corporate or limited liability company, as applicable, action on the part of such Seller. Subject to the entry of the Confirmation Order, this Agreement constitutes, and the Transaction Documents to which such Seller is a party, when executed and delivered by such Seller will constitute, the valid and binding obligations of such Seller enforceable against such Seller in accordance with

their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and general principles of equity that restrict the availability of equitable remedies.

Section 3.03 Governmental Authorization. The execution, delivery and performance by such Seller of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby require no filing, application or registration with, or consent, authorization or approval of or other action by or in respect of, any Governmental Authority other than (i) compliance with any applicable requirements of the HSR Act; (ii) the Bankruptcy Court; (iii) the transfer or reissuance of the Transferred Permits as contemplated by Section 7.03; and (iv) any such filing, application, registration, consent, authorization, approval or other action as to which the failure to make or obtain would not have a Material Adverse Effect.

Section 3.04 Noncontravention. Except as set forth on Schedule 3.04, after giving effect to the Confirmation Order, the execution, delivery and performance by such Seller of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any terms, conditions or provisions in the certificate of incorporation, certificate of formation, bylaws or limited liability company operating agreement (or comparable organizational documents), as applicable, of such Seller, (ii) assuming compliance with the matters referred to in Section 3.03, conflict with or violate any term or provision of Applicable Law, (iii) require any consent or other action by any Person under or constitute (with due notice or lapse of time or both) a default (or give rise to any right of termination, right of first refusal or similar right, cancellation or acceleration of any obligation) under any Assumed Contract or Assumed Lease or (iv) result in the creation or imposition of any Encumbrance, other than a Permitted Encumbrance, upon the Purchased Assets under any agreement to which any Seller, any of its Affiliates or its or their properties may be bound, with such exceptions, in the case of clauses (iii) and (iv), as would not to have a Material Adverse Effect.

Section 3.05 Owned Real Property.

(a) To the Knowledge of the Sellers, Schedule 3.05(a) sets forth an accurate and complete list of all Owned Real Property. True and complete copies of the following have heretofore been made available to Buyer: (i) all deeds, instruments of conveyance, title insurance policies, title insurance commitments, title reports, title opinions, title abstracts, maps and surveys relating to the Purchased Real Property, in each case which such Seller has in its possession, and (ii) all documents evidencing recorded and unrecorded Encumbrances upon the Purchased Real Property which such Seller has in its possession.

(b) Subject to the standard warranty limitations as set forth in a special warranty deed, the Sellers have good and marketable title to the Owned Real Property, free and clear of all Encumbrances, except Permitted Encumbrances.

(c) The Sellers have obtained all appropriate certificates of occupancy, licenses, easements and rights of way, required to use and operate the Owned Real Property in the manner in which the Owned Real Property is currently being used and operated in connection with the Purchased Business. No Seller has received written notice of any intention on the part of any issuing authority to cancel, suspend or modify any approvals, licenses or permits relating to the Owned Real Property.

(d) No Seller has received written notice of any proposed special assessment which would materially and adversely affect the Owned Real Property.

(e) Except as set forth on Schedule 3.05(e), no Seller is party to any lease or assignment under which such Seller is a lessor or sublessor with respect to the Owned Real Property, and the Owned Real Property is not made available for use by any third party.

(f) Except as set forth on Schedule 3.05(f), there are no outstanding options or rights of first refusal to purchase any of the Owned Real Property or any interest therein.

Section 3.06 Assumed Leases.

(a) Schedule 3.06(a)(i) contains a true and complete list of all the Assumed Leases. To the Knowledge of the Sellers, Schedule 3.06(a)(ii) contains a true and complete list of all prepaid royalties and un-recouped minimum royalties for each Assumed Lease as of May 31, 2015. A true and complete copy of each Assumed Lease, including all material amendments and exhibits, has heretofore been made available to Buyer. Each of the Assumed Leases is in full force and effect and constitutes a valid and binding obligation of each applicable Seller and, to such Seller's Knowledge, the other parties thereto. The leasehold estate created by each Assumed Lease is free and clear of all Encumbrances created by, through or under the applicable Seller other than Permitted Encumbrances. Except as disclosed in Schedule 3.06(a)(i), to the Knowledge of the Sellers, there are no material defaults, breaches or uncured violations by any Seller under any of the Assumed Leases, including any lost coal events, and to the Knowledge of the Sellers, no event has occurred that (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute a material default, breach or uncured violation by any Seller under any Assumed Lease, including any lost coal events, except for any such defaults or breaches that would be cured through payment of the Cure Costs or arising solely as a consequence of the Bankruptcy Case. To the Knowledge of the Sellers, except as disclosed in Schedule 3.06(a)(i), there are no material defaults, breaches or uncured violations by any other party, or to the Knowledge of the Sellers any events, which with notice, the passage of time or both, would constitute such material defaults, breaches or violations by any other party under any of the Assumed Leases, except for any such defaults or breaches that would be cured through payment of the Cure Costs or arising solely as a consequence of the Bankruptcy Case. To the Knowledge of the Sellers, there are no existing disputes between any Seller and any other party to any of the Assumed Leases or, to the Knowledge of the Sellers, any party having rights under or with respect to the Assumed Leases that are expected to result in a claim of material default or breach by any Seller thereof, or give rise to any right of termination exercisable

against any such Seller, except for any such defaults or breaches that would be cured through payment of the Cure Costs or arising solely as a consequence of the Bankruptcy Case. Each applicable Seller has paid all rent, royalties, and other payments due and payable under each Assumed Lease, and has otherwise complied in all material respects with the Assumed Leases, and such Seller has not subleased, assigned or otherwise granted to any Person the right to use or occupy such Assumed Leases or any portion thereof, except for any such non-payments that would be cured through payment of the Cure Costs or arising solely as a consequence of the Bankruptcy Case. Seller has not received any notice in writing, and has no Knowledge, that any lessor or landlord will cancel, terminate, or fail to perform its obligations under the Assumed Leases.

(b) To the Knowledge of the Sellers, there are no outstanding options or rights of first refusal to purchase or sublease any of the Sellers' interest in the Assumed Leases or any interest therein that would restrict the transfer of such Assumed Lease to Buyer (after giving effect to the Plan).

Section 3.07 Licenses and Permits.

(a) The Sellers hold (i) all of the mining permits and other permits (all such permits being herein referred to as the "**Permits**") and (ii) all of the material licenses, franchises, certificates, consents, authorizations, approvals, Orders and concessions (herein referred to as the "**Licenses**"), in each case necessary for the current operation of and the current conduct of the Purchased Business and the Purchased Assets.

(b) The Transferred Permits constitute, to the Knowledge of the Sellers, all of the governmental approvals, clearances and authorizations necessary for the current operation of and the current conduct of the Purchased Business and the Purchased Assets, and all of the Transferred Permits are final, unappealed, valid, in good standing and in full force and effect, except where the failure to be final, unappealed, valid, in good standing and in full force and effect would not reasonably be expected to be material to the Purchased Business. The Sellers and their Subsidiaries are in material compliance with the Transferred Permits. No suspension, revocation or cancellation of any of the Transferred Permits is threatened or to the Knowledge of the Sellers contemplated, except with respect to regular periodic expirations and renewals thereof, which renewals no Seller or any Subsidiary of such Seller has reason to believe will not be granted. No Seller or any Subsidiary of such Seller has had any Transferred Permits, or any applications therefor, appealed, denied, revoked, restricted or suspended and no Seller or any Subsidiary of such Seller is currently a party to any proceedings involving the possible appeal, denial, revocation, restriction or suspension of any Transferred Permits or any of the privileges granted thereunder. No Seller or any Affiliate of such Seller is permit blocked on the Applicant Violator System by any Governmental Authority or similar state regulatory program.

Section 3.08 Environmental.

(a) Other than matters that have been fully resolved or that would not reasonably be expected to result in material liabilities or obligations or except as set forth on Schedule 3.08(a),

(i) no written notice, Order, request for information, complaint or penalty has been received by any Seller or any of its Affiliates with respect to the compliance of the Purchased Business or the Purchased Assets with any Environmental Laws or liability under any Environmental Laws, and there are no Actions pending or threatened in writing, in each case, that allege a violation by or liability of, whether assumed contractually or by operation of Law, the Purchased Business of or under any Environmental Law; and (ii) the Purchased Business is, and has been during the past five years, in compliance with all applicable Environmental Laws.

(b) Except as set forth on Schedule 3.08(b), no Seller or any of its Affiliates, or, to the Knowledge of the Sellers, no other Person has released, stored, deposited, discharged, buried, dumped or disposed of Hazardous Materials in quantities and concentrations requiring notification of governmental entities or remediation pursuant to Environmental Law on or beneath the Purchased Assets, or from the Purchased Assets into the environment, except for such Hazardous Materials released, stored, deposited, discharged, buried, dumped or disposed of in the ordinary course of business and in material compliance with Environmental Laws, or that would not reasonably be expected to require any material remediation or investigation pursuant to Environmental Law.

(c) Without in any way limiting the generality of the foregoing, to the Knowledge of such Seller, (i) other than as may contain substances in de minimis quantities or as otherwise are not regulated by Environmental Law, all underground storage tanks and above ground storage tanks, and the capacity and contents of such tanks, located on any Purchased Asset are specifically identified on Schedule 3.08(c), (ii) other than as contained substances in de minimis quantities or as otherwise are not regulated by Environmental Law, all former underground storage tanks have been removed from or closed in place at the Purchased Assets in compliance with applicable Law and those removed or closed in place in the past ten (10) years are listed on Schedule 3.08(c), (iii) all transformers and other equipment containing PCBs in regulated amounts used or stored on any Purchased Assets are identified on Schedule 3.08(c) and (iv) with respect to the Purchased Assets, there are no underground injection wells, radioactive materials or septic tanks or waste disposal pits in which any Hazardous Materials have been discharged or disposed other than in compliance in all material respects with all Environmental Laws or as would not reasonably be expected to require any material remediation or investigation pursuant to Environmental Law.

Section 3.09 Title to the Purchased Assets. Subject to the terms of the Confirmation Order, upon consummation of the transactions contemplated hereby, including the transfer or reissuance of the Transferred Permits as contemplated by Section 7.03, Buyer will have acquired good and marketable title in and to, or a valid leasehold interest in, each of the Purchased Assets, free and clear of all Encumbrances, except for Permitted Encumbrances. To the Knowledge of the Sellers, there are no material unrecorded Encumbrances relating to the Purchased Real Property other than Permitted Encumbrances. The Purchased Assets constitute on the Closing Date all of the tangible and intangible assets, rights and properties of, or used by, the Sellers necessary to operate the Purchased Business, including all mining, processing, loading,

transporting, marketing and selling of coal and all reclamation activities, in the same manner operated by the Sellers during the twelve (12) month period immediately prior to Closing.

Section 3.10 Contracts. Sellers have delivered to Buyer true and complete copies of each Assumed Contract that is material to the Purchased Business (or written descriptions thereof with respect to oral Assumed Contracts), as amended (each, a "**Material Contract**"). Each Material Contract to which a Seller is a party constitutes a valid and binding agreement of such Seller and to, to the Knowledge of the Sellers, the other party thereto and is in full force and effect. There are no defaults, breaches or uncured violations that will lead to a termination of any Material Contract, except for any such defaults or breaches that would be cured through payment of the Cure Costs or arising solely as a consequence of the Bankruptcy Case. To the Knowledge of the Sellers, there are no events, which with notice, the passage of time or both, would constitute such defaults, breaches or uncured violations that would lead to termination under any Material Contract, except for any such defaults or breaches that would be cured through payment of the Cure Costs or arising solely as a consequence of the Bankruptcy Case. No Seller has received any written notice that any of the other parties to the Material Contracts will cancel, terminate or fail to perform such party's obligations under any of the Material Contracts, except where such cancellation, termination or failure to perform would not reasonably be expected to be material to the Purchased Business.

Section 3.11 Financial Statements. The income statement for the six-month period ended June 30, 2015 and the balance sheet dated June 30, 2015 uploaded by the Sellers to the Data Room as of the Effective Date (collectively, the "**Financial Statements**") were prepared on a basis consistent with GAAP consistently applied throughout the periods involved (except as indicated in any notes thereto) and present fairly, in all material respects, the financial position and results of operations of Patriot and the Patriot Subsidiaries for the periods specified therein, subject to normal year-end adjustments.

Section 3.12 Ordinary Course of Business. Except as set forth on Schedule 3.12 and other than in connection with the Bankruptcy Case and taking into account exigencies arising as a result of the Sellers' financial condition and status as a chapter 11 debtor, since December 31, 2014 (the "**Reference Date**"), the Sellers have conducted the Purchased Business in the ordinary course of business in all material respects.

Section 3.13 Litigation, Investigations and Claims. (a) Schedule 3.13(a) sets forth a true, complete and correct list of all existing and pending (and to the Knowledge of Seller, threatened) Actions against any Seller or any of its Subsidiaries or in respect of the Purchased Assets or the operation of the Purchased Business (collectively "**Litigation**"), which would reasonably be expected to be material to the Purchased Business.

(b) Except as set forth on Schedule 3.13(b) and except for any Order entered by the Bankruptcy Court, none of Seller or its Subsidiaries is subject to any Order in respect of the Purchased Assets or the operation of the Purchased Business.

Section 3.14 Laws and Regulations. The Sellers and their Subsidiaries are in compliance in all material respects with all Applicable Laws and Transferred Permits, as currently interpreted, applied, or enforced, relating to the Purchased Business and the Purchased Assets, except (i) as explicitly disclosed in Schedule 3.14 or (ii) for violations that have not had and would not reasonably be expected to have a material adverse impact upon the Purchased Business. Except as set forth on Schedule 3.14, since January 1, 2014, no Seller (or any Subsidiary of such Seller) has received (a) any written notification from any Governmental Authority (i) asserting that a Seller (or a Subsidiary of such Seller) is in violation of any Applicable Laws which such Governmental Authority enforces or (ii) threatening to revoke any Transferred Permits or (b) any written notice from any Governmental Authority indicating any Transferred Permits being sought, amended or renewed will be denied by the applicable Governmental Authority.

Section 3.15 Tax Matters.

(a) With respect to the Purchased Business and the Purchased Assets, the Sellers have timely filed or caused to be filed all material Tax Returns required to have been filed by the Sellers with respect to, by or for the Sellers, the Purchased Business or the Purchased Assets for the period prior to the Closing except for those Tax Returns for which the filing date has not yet passed. All such Tax Returns are correct and complete in all material respects and were prepared in substantial compliance with all Applicable Laws. Sellers have timely paid all material Taxes that are due and payable. There are no unpaid Taxes due and owing by Sellers or by any other Person (including, without limitation, any corporation with which Sellers file or have filed a consolidated, combined, or unitary return) that are or could reasonably be expected to become an Encumbrance (other than a Permitted Encumbrance) on the Purchased Assets or otherwise adversely affect the operation of the Purchased Business. Sellers have collected or withheld all amounts required to be collected or withheld by Sellers for all material Taxes or assessments, and all such amounts have been paid to the appropriate Taxing Authority or set aside in appropriate accounts for future payment when due. No claim has been made in writing by any Taxing Authority in a jurisdiction where the Sellers do not file Tax Returns with respect to the Purchased Business or the Purchased Assets that the Sellers are or may be subject to taxation by that jurisdiction with respect to the Purchased Business or the Purchased Assets. In addition to the foregoing, the Sellers shall pay any and all Taxes that may be now or hereafter due with respect to the Purchased Business or the Purchased Assets or the activities of the Sellers, in each case, through and including the Closing Date, except as set forth in this Agreement. The Sellers have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, in each case, if it could have an adverse impact on the Purchased Assets or the Purchased Business or subject Buyer or any of its Affiliates to any Tax Liability after the Closing.

(b) There are no pending or threatened audits, investigations, disputes, notices of deficiency, claims or other Actions for or relating to any Liability for Taxes with respect to the Purchased Business or the Purchased Assets. There is no dispute or claim concerning any Tax liability of the Sellers claimed or raised by any Taxing Authority in writing. The Sellers have

made available to Buyer correct and complete copies of all income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by the Sellers, the Purchased Business or the Purchased Assets since January 1, 2012.

(c) No Purchased Asset (i) is property required to be treated as owned by another Person pursuant to the provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately prior to the enactment of the Tax Reform Act of 1986, (ii) constitutes "tax-exempt use property" within the meaning of Section 168(h) of the Code, (iii) is "tax-exempt bond financed property" within the meaning of Section 168(g) of the Code, (iv) secures any debt the interest of which is tax-exempt under Section 103(a) of the Code or (v) is subject to a 467 rental agreement as defined in Section 467 of the Code.

(d) Each Seller is a United States Person within the meaning of Section 7701 of the Code.

Section 3.16 Finders' Fees. Except for Centerview Partners LLC, whose fees and expenses will be paid by the Sellers, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Sellers who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 3.17 FCPA Matters. In connection with the operation of the Purchased Business, no Seller or any Subsidiary of such Seller or, to the Knowledge of the Sellers, any director, officer, agent, employee or Affiliate of the Sellers, is aware of or has taken any action, directly or indirectly, with respect to the Purchased Business that would result in a violation of the Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder (the "**FCPA**") or any other applicable anti-corruption Law. The Sellers, their Subsidiaries and, to the Knowledge of the Sellers, their Affiliates have conducted the Purchased Business in compliance with the FCPA and any other applicable anti-corruption Law and maintain and procedures which are reasonably expected to ensure compliance therewith.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Sellers, as of the date of this Agreement and as of the Closing Date, that:

Section 4.01 Corporate Existence and Power. Buyer is a limited liability company duly formed, validly existing and in good standing under the laws of its jurisdiction of formation and has all limited liability company powers and all material governmental licenses, authorizations, qualifications permits, consents and approvals required to carry on its business as now conducted.

Section 4.02 Corporate Authorization. The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents and the consummation of the

transactions contemplated hereby and thereby are within the limited liability company powers of Buyer and have been duly authorized by all necessary limited liability company action on the part of Buyer. Subject to the entry of the Confirmation Order, this Agreement constitutes, and the Transaction Documents to which Buyer is a party, when executed and delivered by Buyer will constitute, the valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and general principles of equity that restrict the availability of equitable remedies.

Section 4.03 Governmental Authorization. The execution, delivery and performance by Buyer of this Agreement and each of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby require no material filing, application or registration with, or consent, authorization or approval of or other action by or in respect of any Governmental Authority other than (i) compliance with any applicable requirements of the HSR Act, (ii) the Bankruptcy Court and (iii) the transfer or reissuance of the Transferred Permits as contemplated by Section 7.03.

Section 4.04 Noncontravention. Except as set forth on Schedule 4.04, the execution, delivery and performance by Buyer of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any terms, conditions or provisions in the certificate of formation or limited liability company operating agreement (or comparable organization documents) of Buyer, (ii) assuming compliance with the matters referred to in Section 4.03, conflict with or violate any term or provision of Applicable Law or (iii) constitute (with due notice or lapse of time or both) a default (or give rise to any right of termination, right of first refusal or similar right, cancellation or acceleration of any right or obligation) under any Contract binding upon Buyer, except, in the case of this clause (iii), as would not reasonably be expected to materially delay the ability of Buyer to consummate the transactions contemplated in this Agreement and, in each case, after giving effect to the Confirmation Order.

Section 4.05 Adequate Assurances Regarding Assumed Contracts. As of the Closing, Buyer will be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code with respect to the Assumed Contracts.

Section 4.06 Litigation. There is no action, suit, investigation or proceeding pending against, or to the Knowledge of Buyer threatened against or affecting, Buyer before any arbitrator or any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

Section 4.07 Finders' Fees. Except for fees and expenses that will be paid by Buyer, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 4.08 Inspections; No Other Representations. Buyer is an informed and sophisticated purchaser, and has engaged expert advisors, experienced in the evaluation and purchase of property and assets such as the Purchased Assets as contemplated hereunder. Buyer has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement. Buyer will undertake prior to Closing such further investigation and request such additional documents and information as it deems necessary. BUYER ACKNOWLEDGES AND AGREES THAT THE PURCHASED ASSETS ARE SOLD "AS IS" AND BUYER AGREES TO ACCEPT THE PURCHASED ASSETS AND THE PURCHASED BUSINESS IN THE CONDITION THEY ARE IN ON THE CLOSING DATE BASED ON ITS OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS, AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE SELLERS, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES THAT THE SELLERS MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO (i) ANY PROJECTIONS, ESTIMATES OR BUDGETS DELIVERED TO OR MADE AVAILABLE TO BUYER OF FUTURE REVENUES, FUTURE RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), FUTURE CASH FLOWS OR FUTURE FINANCIAL CONDITION (OR ANY COMPONENT THEREOF) OF THE PURCHASED BUSINESS OR THE FUTURE BUSINESS AND OPERATIONS OF THE PURCHASED BUSINESS OR (ii) ANY OTHER INFORMATION OR DOCUMENTS MADE AVAILABLE TO BUYER OR ITS COUNSEL, ACCOUNTANTS OR ADVISORS WITH RESPECT TO THE PURCHASED BUSINESS, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN NO EVENT SHALL THIS Section 4.08 BE IN ANY WAY DEEMED A LIMITATION OF THE RECOURSE OF BUYER IN THE EVENT OF ACTUAL FRAUD, A WILLFUL BREACH OR A KNOWING AND INTENTIONAL MISREPRESENTATION.

Section 4.09 Assurances Regarding Permits. Buyer is and will be capable of taking transfer of, or obtaining replacement or overlapping Permits for, and of posting replacement surety bonds and necessary collateral with respect to, the Transferred Permits and will not have been denied, or subject to denial of, any application for any mining license, permit or other governmental authorization by any Governmental Authority due to application of the Applicant Violator System established pursuant to the federal Surface Mining Control and Reclamation Act (or any applicable state system), other than any denial for violations that may reasonably be expected to be cured by the time of such transfer or obtaining of Permits as contemplated by Section 7.03.

Section 4.10 Sufficient Funds. As of the date of this Agreement, Buyer has received an executed equity commitment letter dated the date of this Agreement (the "**Equity Commitment Letter**") from the Equity Financing Sources, pursuant to which such Equity Financing Sources have committed, subject to the terms and conditions set forth therein, to provide to Buyer the

Equity Financing in cash in an aggregate amount set forth in the Equity Commitment Letter, which Equity Commitment Letter provides that Sellers are third party beneficiaries thereof. A true and complete copy of the fully executed Equity Commitment Letter as in effect on the date hereof has been provided to Sellers. As of the date of this Agreement, the Equity Commitment Letter is valid and in full force and effect and enforceable in accordance with its terms against Buyer and each other party thereto, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Applicable Laws affecting or relating to creditors' rights and remedies generally and to general principles of equity. There are no conditions precedent or other contingencies related to the Equity Financing as contemplated by the Equity Commitment Letter, other than as expressly set forth in the Equity Commitment Letter, and none of the commitments contained in the Equity Commitment Letter has been withdrawn or rescinded in any respect. The aggregate proceeds of the Equity Financing contemplated by the Equity Commitment Letter will be sufficient for Buyer to complete the transactions contemplated by this Agreement, pay the Initial Payment and to pay all fees and expenses required to be paid by Buyer in connection with the transactions contemplated hereby. Assuming the satisfaction of the conditions in Article 10, as of the Closing Date there is no reason to believe that any of the conditions to the Equity Financing within Buyer's control will not be satisfied or that the Equity Financing will not be available to Buyer on the Closing Date. For the avoidance of doubt, none of the rights and obligations of any Party, nor the transactions contemplated hereby, are subject to any term or condition providing that Buyer and/or its Affiliates first obtain financing.

ARTICLE 5
COVENANTS OF THE SELLERS

Section 5.01 Conduct of the Purchased Business. Except as expressly permitted by this Agreement or as consented to by Buyer in writing (which consent shall not be unreasonably withheld, conditioned or delayed) and to the extent not inconsistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, any Orders entered by the Bankruptcy Court in the Bankruptcy Case (*provided*, that the Sellers shall (x) not, without the prior written consent of Buyer, seek any Order of the Bankruptcy Court requiring them to refrain from taking any action described in this Section 5.01 and (y) use their commercially reasonable efforts to oppose any motion or other request seeking such an Order of the Bankruptcy Court) or other Applicable Law, from the Effective Date through the Closing, the Sellers shall, and shall cause their Subsidiaries to, use their commercially reasonable efforts to conduct the Purchased Business in the ordinary course consistent with past practice and to:

(i) maintain the Purchased Assets in as good working order and condition as at present, ordinary wear and tear excepted;

(ii) not introduce any material new method of management, operation or accounting;

(iii) keep in full force and effect the Insurance Policies or other substantially equivalent insurance coverage without being in default or failing to give any notice or present any claim thereunder;

(iv) have sufficient Coal Inventory at the Closing to enable Buyer to satisfy delivery obligations under sales contracts that relate to the Purchased Mining Complexes for 15 days immediately after Closing;

(v) keep available the services of the present employees of the Purchased Business; and

(vi) maintain and preserve their business organizations intact and maintain their relationships with third parties.

For the avoidance of doubt, the pendency of the Bankruptcy Case and the effects thereof shall in no way be deemed a breach of this Section 5.01.

Section 5.02 No Changes in Business. Without limiting the generality of Section 5.01, from the date of this Agreement through the Closing, except as set forth in Schedule 5.02, as expressly permitted by this Agreement or as consented to by Buyer in writing (which consent shall not be unreasonably withheld, conditioned or delayed) and to the extent not inconsistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, any Orders entered by the Bankruptcy Court in the Bankruptcy Case (*provided*, that the Sellers shall (x) not, without the prior written consent of Buyer, seek any Order of the Bankruptcy Court compelling them to take any action described in this Section 5.02 and (y) use their commercially reasonable efforts to oppose any motion or other request seeking such an Order of the Bankruptcy Court) or other Applicable Law, the Sellers shall not, and shall not permit any of their Affiliates to, with respect to the Purchased Business:

(a) reject pursuant to section 365 of the Bankruptcy Code any Assumed Contract or Assumed Lease;

(b) (i) enter into or amend any Assumed Lease or Assumed Contract, or (ii) incur, or agree to incur, any capital expenditures that are, in the aggregate, in excess of five percent (5%) of the aggregate capital expenditures set forth in the budget attached to Schedule 5.02(b); *provided*, *however*, that any project with respect to which the Sellers commit to incur capital expenditures in excess of such budget shall be completed by the Closing;

(c) grant a participation or security interest in, mortgage, pledge or otherwise encumber or subject to an Encumbrance (other than a Permitted Encumbrance) any Purchased Asset;

(d) remove any Purchased Assets from the Purchased Mining Complexes or transfer any Purchased Assets to any Excluded Mining Complex;

(e) acquire for the Purchased Business (by merger, consolidation or acquisition of stock or assets, inbound license or otherwise) any interest in any corporation, partnership or other business organization or division thereof or other material assets or properties outside of the ordinary course of business consistent with past practice;

(f) incur any Indebtedness or assume, guarantee or endorse the obligations of any Person, in each case other than (x) Indebtedness under the Existing Patriot DIP Facility, (y) amounts drawn under the Existing Patriot ABL Facility and the Existing Patriot LC Facility and (z) Indebtedness or assumptions, guarantees or endorsements of obligations of any Person that do not constitute Assumed Liabilities;

(g) waive, release, assign, settle or compromise any material rights or claims that constitute Purchased Assets, or any material litigation or arbitration that constitute Purchased Assets;

(h) enter into any Assumed Contract which materially restricts the ability of the Purchased Business to engage in any business in any geographic area or channel of distribution;

(i) sell, lease, license (as licensor), assign, dispose of or transfer any material tangible or intangible property or contract right, in each case that is a Purchased Asset, other than the sale of Coal Inventory in the ordinary course of business consistent with past practice;

(j) advance sell or pre-sell, or enter into any agreement to advance sell or pre-sell, Coal Inventory except solely to the extent specifically authorized under a coal sale agreement listed on Schedule 2.01(e);

(j) make loans or advances to, guarantees for the benefit of, or any investments in, any Person other than to the extent such loans, advances guarantees or investments do not constitute Purchased Assets or Assumed Liabilities, as the case may be;

(k) make, change or revoke any Tax election, settle or compromise any Liability for Taxes, file any amended Tax Return, enter into any agreement with respect to Taxes, adopt or change any method of Tax accounting, or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment, in each case to the extent such action could adversely affect the Purchased Assets or the Purchased Business, or subject Buyer or any of its Affiliates to any Tax liability, after the Closing Date;

(l) enter into or amend any Contract or commitment, or enter into any other transaction, directly or indirectly, with any Affiliate that constitutes an Assumed Contract or gives rise to an Assumed Liability;

(m) enter or commit to enter into any collective bargaining agreement or other labor agreement with any union or other labor organization affecting the Purchased Assets; or

(n) agree or commit to do any of the foregoing.

Section 5.03 Access to Information. From the Effective Date until the Closing Date, the Sellers will (and will cause their Affiliates to) (i) give Buyer, its counsel, financial advisors, auditors and other authorized Representatives reasonable access to the Purchased Real Property offices, preparation plants, underground mine workings and other facilities and properties of the Purchased Business and the books and records of the Sellers relating to the Purchased Business, (ii) furnish to Buyer, its counsel, financial advisors, auditors and other authorized Representatives such financial and operating data and other information relating to the Purchased Business as such Persons may reasonably request and (iii) instruct the employees, counsel and financial advisors of the Sellers and their Affiliates to cooperate with Buyer in its investigation of the Purchased Business. Any investigation by Buyer or its authorized Representatives pursuant to this Section 5.03 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Sellers. Notwithstanding the foregoing, Buyer shall not (A) have access to personnel records of the Sellers relating to individual performance or evaluation records, medical histories or other information which in the Sellers' good faith opinion is sensitive or the disclosure of which could subject the Sellers to risk of liability or (B) conduct or cause to be conducted any sampling, testing or otherwise invasive investigation of the air, soil, surface water, groundwater, building materials or other environmental media related to the Purchased Business or the Purchased Assets without the prior written consent of the Sellers' Representative, which consent shall not be withheld, conditioned or delayed as long as Buyer has a reasonable and good faith belief that material environmental conditions warranting such sampling are present. Notwithstanding the foregoing, until the Confirmation Order shall have been entered, except with the prior written consent of the Sellers or in conjunction with Patriot's executive management, Buyer shall not, and shall cause its Affiliates and their respective Representatives (including counsel, accountants and financial advisors) not to, initiate or maintain contact with any security-holder, employee, partner, manager, agent, advisor, Representative or customer of the Sellers or any of their Affiliates, in each case, solely with respect to, or relating or referring in any way to the sale of coal from the Purchased Mining Complexes; *provided*, *however*, that notwithstanding the foregoing, upon Buyer receiving confirmation from the Bankruptcy Court that it is the winning bidder in any Auction, Buyer and its Affiliates, and their respective Representatives, shall be permitted, without any notice to or consent of the Sellers' Representative, to initiate and maintain contact with any customer of the Sellers or any of their Affiliates with respect to, or relating or referring in any way to, the sale of coal from the Purchased Mining Complexes so long as Buyer does not commit or obligate the Sellers with respect to any sale of coal.

(b) Without limiting the generality of Section 5.03, Buyer and the Sellers shall, beginning immediately upon the Effective Date and continuing until Closing, conduct a reasonable joint pre-closing review to confirm the quantities of Coal Inventory and the existence and location of the Personal Property, Equipment and Fixed Assets, for the purpose of verifying the same; *provided*, that such pre-closing review shall not interfere unreasonably with the conduct of the business of the Sellers.

Section 5.04 Names. In the event Buyer elects to adopt the legal name of a Patriot Subsidiary, Patriot shall (i) provide its consent with respect to the adoption and use of such legal

name, and (ii) take all reasonable and necessary actions to cause the affected Patriot Subsidiary to change its legal name.

Section 5.05 Records of Purchased Business. For a period of 120 days after the Closing Date, the Sellers and their Subsidiaries shall maintain at their corporate and administrative offices originals or copies of all accounting, environmental, Tax and black lung data relating to the Purchased Business, to the extent not transferred to Buyer as Purchased Assets in accordance with this Agreement (collectively the "**Business Records**"). During such 120-day period, Buyer shall have the right (i) to inspect and review the Business Records at the corporate and administrative offices of the Sellers and their Subsidiaries and (ii) at Buyer's sole expense, to make copies of the Business Records.

Section 5.06 Segregation and Removal of Excluded Assets. Within one hundred twenty (120) days after the Closing Date, the Sellers shall segregate and remove from the Purchased Real Property all Excluded Assets. The Sellers shall remove such items at the Sellers' sole cost and expense in a manner so as not to unreasonably interfere with Buyer's operations on the Purchased Real Property, and the Sellers shall bear full liability for any and all claims related to or arising from such Excluded Assets and their removal. Buyer shall provide the Sellers with reasonable access and coordination to remove such Excluded Assets.

Section 5.07 Release; Acknowledgements. (a) Notwithstanding anything to the contrary contained herein, effective as of the Closing, (i) each Seller (individually and on behalf of its Affiliates) hereby releases and forever discharges Buyer and each of its respective Affiliates and their respective successors and assigns and all officers, directors, partners, members, shareholders, employees and agents of each of them from any and all actual or potential claims, causes of action, proceedings, Liabilities, damages, expenses and/or Losses of whatever kind or nature (including attorneys' fees and costs), in law or equity, known or unknown, suspected or unsuspected, now existing or hereafter arising, whether contractual, in tort or otherwise, which such Party had, has, or may have in the future to the extent relating to the Excluded Assets or the Excluded Liabilities and (ii) Buyer (individually and on behalf of its Affiliates) hereby releases and forever discharges each Seller and each of their respective Affiliates and their respective successors and assigns and all officers, directors, partners, members, shareholders, employees and agents of each of them from any and all actual or potential claims, causes of action, proceedings, Liabilities, damages, expenses and/or Losses of whatever kind or nature (including attorneys' fees and costs), in law or equity, known or unknown, suspected or unsuspected, now existing or hereafter arising, whether contractual, in tort or otherwise, which such Party had, has, or may have in the future to the extent relating to the Purchased Assets or the Assumed Liabilities; *provided*, that nothing in this Agreement shall be construed to release any Person from any of its contractual obligations under this Agreement and the Transaction Documents, including its obligations in respect of the Purchased Assets, Assumed Liabilities, Excluded Assets and Excluded Liabilities, as the case may be, each of which shall remain fully effective and enforceable from and after the Closing Date.

Section 5.08 Bankruptcy Process.

(a) Sellers shall (i) modify the Plan filed with the Bankruptcy Court prior to entering into this Agreement and, to the extent necessary or required by the Bankruptcy, file an amended disclosure statement with respect to such amended Plan, to provide for the approval of this Agreement and the consummation of the Transaction and (ii) use reasonable commercial efforts to (A) facilitate the solicitation (or re-solicitation if required), confirmation and consummation of the Plan and the Transaction, (B) obtain entry of the Confirmation Order and (C) consummate the Plan.

(b) In the event that the entry of the Confirmation Order or any other Order reasonably necessary in connection with the transactions contemplated by this Agreement is appealed, Seller shall use its reasonable commercial efforts to defend against such appeal.

(c) Sellers and Buyer acknowledge that this Agreement and the sale of the Purchased Assets are subject to higher and better bids, including a potential auction (the "**Auction**"), and Bankruptcy Court approval, all as described in the Bidding Procedures Order. The bidding procedures to be employed with respect to this Agreement and any Auction shall be those reflected in the Bidding Procedures Order. Buyer acknowledges that Seller and its Affiliates and Representatives are and may continue soliciting inquiries, proposals or offers for the Purchased Assets in connection with any Alternative Transaction as and to the extent provided in the Bidding Procedures Order.

Section 5.09 Additional Bankruptcy Matters. (a) From and after the Effective Date and until the Closing Date, to the extent reasonably practicable, the Sellers shall deliver to Buyer drafts of any and all pleadings, motions, proposed Orders, notices, statements, applications, schedules, reports, and other papers to be filed or submitted by the Sellers in connection with or related to the Plan or this Agreement for Buyer's prior review. The Sellers shall make reasonable efforts to consult and cooperate with Buyer regarding (i) any such pleadings, motions, proposed Orders, notices, statements, applications, schedules, reports, or other papers, (ii) any discovery taken in connection with the seeking entry of the Confirmation Order or the entry of any other Order related to modification of the Plan (including any depositions) and (iii) any hearing relating to the Confirmation Order or the entry of any other Order related to modification of the Plan, including the submission of any evidence, including witnesses testimony, in connection with such hearing.

(b) The Sellers acknowledge and agree, and the Confirmation Order shall provide that, on the Closing Date and concurrently with the Closing, all then existing or thereafter arising Liabilities and Encumbrances of, against or created by the Sellers or their bankruptcy estates, shall be fully released from and with respect to the Purchased Assets, which shall be transferred to Buyer free and clear of all Liabilities and Encumbrances except for Assumed Liabilities and Permitted Encumbrances.

Section 5.10 Payment of Cure Costs. Sellers shall, on or prior to the Closing, pay in full in cash an amount equal to the aggregate amount of all Cure Costs; *provided*, that to the extent any counterparty to an Assumed Contract or Assumed Lease asserts a higher Cure Cost

than set forth in Schedule 2.01(e) or Schedule 3.06(a)(i), as applicable, the Sellers shall pay such higher Cure Cost unless otherwise ordered by the Bankruptcy Court.

Section 5.11 Vendors. Promptly, but in no event later than ten (10) Business Days following the Effective Date, Sellers shall deliver to Buyer a complete and unredacted list of all vendors who received payments from the Sellers in the 90 days prior to the Petition Date (or one year prior to the Petition Date for any such vendors that are insiders of any Seller, if any).

Section 5.12 Third Party Software. Patriot shall use commercially reasonable efforts to assist Buyer in its efforts to effectuate a transfer or facilitate an assignment, as applicable, of the TPSL. For the avoidance of doubt, Patriot shall not be obligated to transfer or assign any TPSL if such transfer would result in a liability to any Seller, including for the payment of any fees to effectuate a transfer or to facilitate an assignment, with the exception of any Cure Costs.

Section 5.13 Combination Assumed Leases.

(a) The Parties acknowledge and agree that certain Sellers are party to certain Assumed Leases (each, a "**Combination Assumed Lease**") where a portion of the real property subject to such Assumed Leases (each, an "**Excluded Permitted Area**") is subject to one or more Permits that are not Transferred Permits (each, an "**Excluded Assumed Lease Permit**"). For purposes of this Section 5.13, a Seller that is the lessee under a Combination Assumed Lease is referred to herein as a "**Combination Assumed Lease Sublessor**."

(b) To the extent that any Excluded Permitted Area under a Combination Assumed Lease is currently subleased to an Affiliate of the Combination Lease Sublessor, the applicable sublease (each, an "**Excluded Sublease**") shall be an Excluded Asset, the Sellers shall cause such Excluded Sublease to remain in place following the Closing and Buyer shall, in accordance with this Agreement, take assignment of such Combination Assumed Lease subject to such Excluded Sublease; *provided, however*, to the extent that an Excluded Sublease covers any tracts of real property outside of an Excluded Permitted Area that are subject to a Combination Assumed Lease, at or prior to Closing, the applicable Seller shall cause such sublessee Affiliate to surrender all such tracts of real property covered by such Excluded Sublease that do not constitute an Excluded Permitted Area back to the Combination Lease Sublessor, pursuant to such written surrender instruments as are reasonably satisfactory to Buyer and the Sellers' Representative.

(c) To the extent that any Excluded Permitted Area subject to a Combination Assumed Lease is not, as of the date hereof, subleased to an Affiliate of a Seller, the Parties shall cooperate and use commercially reasonable efforts to enter into, at or prior to the Closing, a written arrangement, on terms reasonably satisfactory to Buyer and the Sellers' Representative, permitting the applicable Seller or Affiliate of a Seller that holds the Excluded Assumed Lease Permit covering such Excluded Permitted Area to mine and perform reclamation activities in such Excluded Permitted Area to enable such Seller or such Affiliate of a Seller to satisfy its reclamation obligations under such Excluded Assumed Lease Permit following the Closing, including by using commercially reasonable efforts to enter into, and obtaining all necessary

approvals and consents of third parties with respect to, a sublease on terms reasonable satisfactory to the Parties pursuant to which such Excluded Permitted Area is subleased to such Seller or such Affiliate of a Seller.

Section 5.14 Permits and Licenses. Promptly, but in no event later than ten (10) Business Days following the Effective Date, Sellers shall deliver to Buyer a complete and correct list of: (a) all Permits held by the Sellers or any of their Affiliates in the operation of the Purchased Business and Purchased Assets, together with a description of the permitted property or facility, together with a true and complete list of all pending applications for additional Permits, renewals of existing Permits, or amendments to existing Permits, which have been submitted to any Governmental Authority or other entity by any Seller or any of its Subsidiaries applicable to the operation of the Purchased Business; (b) the applicable surety bonds and the amount of the surety bonds under the Permits; and (c) all of the Licenses held by the Sellers or any of their Subsidiaries and used in connection with the operation of the Purchased Business, together with a true and complete list of all pending applications for additional Licenses, renewals of existing Licenses, or amendments to existing Licenses, which have been submitted to any Governmental Authority or other entity by any Seller or any of their Subsidiaries applicable to the operation of the Purchased Business, as amended, supplemented and modified through the Effective Date.

Section 5.15 Final DIP Order. Notwithstanding anything in this Agreement to the contrary, the Sellers shall timely comply with their obligations under the Final DIP Order and the Existing Patriot DIP Facility, including any payment and reimbursement obligations.

ARTICLE 6
COVENANTS OF BUYER

Section 6.01 Confidentiality. Buyer and its Affiliates will hold, and will use their best efforts to cause their respective Representatives to hold all confidential documents and information concerning the business of Patriot and the Patriot Subsidiaries furnished to Buyer or its Affiliates in connection with the transactions contemplated by this Agreement in accordance with the provisions of the Confidentiality Agreement, dated as of May 2015, between Patriot and Buyer (the "**Buyer Confidentiality Agreement**") which, notwithstanding anything to the contrary contained therein, shall remain in full force and effect until the Closing, at which time the confidentiality obligations under the Buyer Confidentiality Agreement shall terminate. If, for any reason, the transactions contemplated by this Agreement are not consummated, the Buyer Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms.

Section 6.02 Access. On and after the Closing Date, to the extent permitted by Applicable Law, Buyer will afford promptly to the Sellers and their agents (i) reasonable access to its properties, books, records, employees and auditors to the extent necessary to permit the Sellers to determine any matter relating to its rights and obligations hereunder or to any period ending on or before the Closing Date; *provided*, that any such access by the Sellers shall not

unreasonably interfere with the conduct of the business of Buyer; *provided further* that the scope of any such access shall be limited to the Purchased Assets, and (ii) reasonable access to the Purchased Mining Complexes for purposes of conducting mine reclamation related to any Permit that is not a Transferred Permit; *provided*, that any such access by the Sellers shall not unreasonably interfere with the conduct of the business of Buyer.

Section 6.03 Bankruptcy Actions. Buyer acknowledges that it must provide adequate assurance of future performance under the Assumed Contracts and the Assumed Leases and agrees that it shall, and shall cause its Affiliates to, cooperate with the Sellers in connection with furnishing information or documents to the Sellers to satisfy the requirements of section 365(f)(2)(B) of the Bankruptcy Code. In furtherance of the foregoing, Buyer shall take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assumed Contracts and the Assumed Leases, such as providing non-confidential financial information and other documents or information for filing with the Bankruptcy Court and making Buyer's employees and Representatives available to testify before the Bankruptcy Court. Buyer shall promptly take all actions as are reasonably requested by Seller to assist in obtaining the Bankruptcy Court's entry of, as applicable, the Confirmation Order and/or any other Order reasonably necessary in connection with this Agreement or the Transaction as promptly as practicable, including furnishing affidavits, financial information or other documents or information for filing with the Bankruptcy Court. In the event that the entry of the Confirmation Order or any other Order reasonably necessary in connection with the transactions contemplated by this Agreement is appealed, Buyer shall use its reasonable commercial efforts to cooperate with Seller in the defense of such appeal.

Section 6.04 Avoidance Actions. If there are any changes to Schedule 2.01(j) pursuant to the following two sentences, Buyer shall deliver a revised version of Schedule 2.01(j) to the Sellers within one hundred and twenty days after the Closing Date. Buyer shall exclude any Person from such revised Schedule 2.01(j) with whom it is not necessary, as determined by Buyer in its discretion, for Buyer to conduct business in order to operate the Purchased Business. Buyer may also add any Person to such revised Schedule 2.01(j) that was not included on such schedule at Closing; *provided*, that no Person shall be added to such schedule without the prior written (electronic or otherwise) consent (not to be unreasonably withheld) of the Sellers' Representative (in consultation with the unsecured creditors' committee).

Section 6.05 Financing Activities. Buyer shall use its reasonable best efforts to take or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to obtain the Equity Financing, including using reasonable best efforts to (i) maintain in effect the Equity Commitment Letter, (ii) satisfy on a timely basis all conditions applicable to Buyer in such Equity Commitment Letter, (iii) consummate the Equity Financing at or prior to the Closing to the extent all of the conditions to the Equity Financing have been satisfied (other than those conditions being satisfied at Closing), and (iv) enforce its rights under the Equity Commitment Letter. Further, for the avoidance of doubt, if the Equity Financing (or any alternative financing) has not been obtained, Buyer shall continue to be obligated to consummate

the transactions contemplated by this Agreement and subject only to the satisfaction or waiver of the conditions set forth in Section 10.01 and Section 10.02 and to Buyer's termination rights under Article 12, as applicable.

ARTICLE 7
COVENANTS OF BUYER AND THE SELLERS

Section 7.01 Further Assurance.

(a) Except as otherwise provided herein and subject to the terms and conditions of this Agreement, the Bankruptcy Code and any Orders of the Bankruptcy Court, the Sellers and Buyer shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Law to consummate the transactions contemplated by this Agreement, including (i) preparing and filing as promptly as practicable with any Governmental Authority or other third party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and (ii) obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any Governmental Authority or other third party that are necessary, proper or advisable to consummate the transactions contemplated by this Agreement, in each case, after giving effect to the Confirmation Order. The Sellers and Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to use commercially reasonably efforts to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement, to vest in Buyer good title to the Purchased Assets and to assure and evidence the assumption by Buyer of the Assumed Liabilities.

(b) In furtherance and not in limitation of the foregoing, but subject to Section 7.01(c), to the extent applicable, each of Buyer and the Sellers shall make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by this Agreement as promptly as practicable and in any event within 10 Business Days of the Effective Date. Each of Buyer and the Sellers shall supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and shall use commercially reasonable efforts to take all other actions necessary or desirable to cause the expiration or termination of the applicable waiting period under the HSR Act as soon as practicable.

(c) Notwithstanding anything in this Agreement to the contrary, "commercially reasonable efforts" for purposes of this Agreement shall in no event or circumstance require Buyer or any of its Affiliates to (i) execute any settlements, undertakings, consent decrees, stipulations or other agreements, (ii) sell, divest, hold separate or otherwise convey and particular assets or categories of assets or businesses of Buyer and its Affiliates, (iii) agree to sell, divest, hold separate or otherwise convey any particular assets or categories of assets or businesses contemporaneously with or subsequent to the Closing, (iv) permit the Sellers and their Affiliates

to sell, divest or otherwise convey any particular assets or categories of assets or properties of the Sellers and their Affiliates related to the Purchased Business prior to the Closing, (v) otherwise take or commit to take actions that after the Closing Date would limit the freedom of action of Buyer or its Affiliates with respect to, or its or their ability to retain, one or more of its or their businesses or assets, (vi) defend through litigation on the merits any claim asserted in court by any Person, (vii) accept any amendment to the terms of any Transferred Permit or any additional conditions with respect to any Transferred Permit or (viii) subject to Section 7.01(e), make to any Person any material payment with respect to obtaining any approvals, consents, registrations, permits, authorizations and other confirmations.

(d) No Party shall agree (or permit any of their respective Affiliates to agree) to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry relating to the consummation of the transactions contemplated by this Agreement unless it consults with the other Parties in advance (to the extent reasonably practicable to do so) and, to the extent permitted by such Governmental Authority and any Applicable Law, gives the other Parties and their outside counsel the opportunity to attend and participate at such meeting.

(e) The fees and expenses for all filings under the HSR Act and any other necessary filings or submissions to any Governmental Authority pursuant to this Section 7.01 shall be borne in full by Buyer.

Section 7.02 Certain Filings. The Sellers and Buyer shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (ii) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

Section 7.03 Transferred Permit and Surety Bond Matters.

(a) (i) As promptly as commercially reasonably possible after the Closing, but in no event longer than 60 days following the Closing Date, Buyer shall properly file all applications required to transfer the Transferred Permits from the Sellers to Buyer with the appropriate Governmental Authority and (ii) Buyer shall take, or cause to be taken, all actions and do, or cause to be done, all things necessary or desirable under Applicable Law to put in place with the appropriate Governmental Authority as promptly as commercially reasonably possible after the Closing, financial assurances necessary to transfer the Transferred Permits from the Sellers and to Buyer. The Sellers agree to diligently provide, at Buyer's sole cost and expense, any cooperation reasonably requested by Buyer to bring about the transfer of the Transferred Permits. From and after the Closing, Buyer shall diligently pursue the transfer of the Transferred Permits to Buyer, and Buyer shall operate under the Transferred Permits as the designated operator in accordance with the terms and conditions contained in the Permit Transfer Agreements;

provided, that in no event shall Buyer be obligated to accept any material amendment to the terms of any Transferred Permit or any additional conditions with respect to any Transferred Permit (other than any increase in bonding amounts required by the applicable Governmental Authority). To the extent allowed by and in accordance with Applicable Laws and the terms and conditions of the Permit Transfer Agreements, the Sellers grant Buyer the right to conduct, at the sole cost and expense of Buyer, mining operations following the Closing on the Purchased Real Property under the Transferred Permits as the designated operator until such time as they are transferred to Buyer (the "**Interim Period**"). Buyer shall indemnify the Sellers for all activities or omissions of Buyer on the Purchased Real Property during the Interim Period. The Sellers shall have (and Buyer grants) all rights of entry onto the Purchased Real Property necessary for the Sellers to maintain the Transferred Permits prior to transfer thereof, to the extent Buyer fails to take necessary actions with respect thereto.

(b) Buyer at all times prior to the transfer of the Transferred Permits to Buyer shall: (i) comply with all Applicable Law governing, and all conditions and requirements of, or pertaining to, any such Transferred Permits; and (ii) be solely responsible for all incidents of violation, non-compliance, and similar occurrences related to the Transferred Permits that arise following the Closing. Buyer shall promptly deliver to the Sellers written notice of any such incidents, violations or occurrences, which the Sellers shall have the right, but not the obligation, to cure (including right of entry onto the applicable Purchased Real Property), and Buyer shall promptly reimburse the Sellers for the reasonable costs of any such cure. To the extent of its right to do so, the Sellers shall have (and Buyer grants) all rights of entry onto the Purchased Real Property necessary for the Sellers to maintain the Transferred Permits prior to transfer.

(c) Each Seller hereby (i) authorizes and empowers Buyer with full power and authority to negotiate, manage, settle and pay on such Seller's behalf any and all Pre-Closing MSHA Fines and Excluded Pre-Closing Fines with the applicable Governmental Authority, and Sellers shall indemnify Buyer for all Losses incurred in the negotiation, management, settlement and payment of such Pre-Closing MSHA Fines and Excluded Pre-Closing Fines pursuant to Article 11, (ii) grants to Buyer a power of attorney to take such actions as may be necessary or appropriate to effect the negotiation, management, settlement and payment of such Pre-Closing MSHA Fines and Excluded Pre-Closing Fines, and (iii) agrees to fully cooperate with Buyer in regards to its negotiation, management, settlement and payment of such Pre-Closing MSHA Fines and Excluded Pre-Closing Fines; *provided*, that consultation with Sellers' Representative shall be required for any settlement that (A) involves any form of equitable relief that would be binding on Sellers or their Affiliates (or their respective businesses), (B) may reasonably be expected to have a material adverse impact on the Excluded Assets or result in a material increase in any Excluded Liability or (C) involves any potential prosecution or liability to any Seller's employees, officers, directors or owners.

(d) Notwithstanding anything in this Agreement to the contrary, but nevertheless subject to the provisions of this Section 7.03(d), (i) during the Interim Period, absent the occurrence of an incident of violation, noncompliance or similar occurrence for which Buyer is responsible pursuant to Section 7.03(b), the Sellers shall remain responsible, at their sole cost

and expense, for maintaining any surety bonds or other financial assurances required in connection with the Transferred Permits and (ii) Buyer shall indemnify and hold harmless all Sellers for any Liabilities incurred with respect to such bonds or other financial assurances solely to the extent resulting from the actions of Buyer while operating under the Transferred Permits during the Interim Period. Notwithstanding the foregoing, Buyer shall, at its sole cost and expense, (x) until such time as Buyer has posted replacement surety bonds or other financial assurances, pay or reimburse the Sellers (within five (5) Business Days of receipt of notice from the Sellers' Representative, which such notice shall contain the applicable surety bond numbers and corresponding premium amounts) for the cost of any premiums that become due after the Closing Date with respect to such surety bonds or other financial assurances, and (y) post any addition to the principal amount of any such surety bond or other financial assurance required by any Governmental Authority after the Closing Date as a result of any action taken by Buyer with respect to the Purchased Assets.

(e) Until such time as the Transferred Permits are transferred to Buyer, the Sellers shall take all reasonable and necessary actions such that no Seller will have been denied, or be made subject to denial of, any application for any mining license, permit or other governmental authorization by any Governmental Authority due to application of the Applicant Violator System or any similar applicable state system.

Section 7.04 Public Announcements. Except as may be necessary in connection with the Bankruptcy Case, the Parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except for any press releases and public statements the making of which may be required by Applicable Law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

Section 7.05 WARN Act. Seller shall be responsible for any amended or updated notices required to be given under and shall otherwise comply with all Liabilities arising under the WARN Act relating to any acts or omissions of Sellers on or prior to the Closing, including as a result of the transactions contemplated by this Agreement. The Parties agree that Seller issued a conditional notice under the WARN Act to all employees on August 3, 2015.

Section 7.06 Notification of Certain Events. Each Party shall promptly notify the other Parties of any event, condition or circumstance of which such Party becomes aware prior to the Closing Date that would cause, or would reasonably be expected to cause, a violation or breach of this Agreement (or a breach of any representation or warranty contained in this Agreement). During the period prior to the Closing Date, each Party will promptly advise the other Parties in writing of any written notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement and the Transaction Documents. A Party's receipt of information pursuant to this Section 7.06 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the other Parties in this Agreement and shall not be deemed to amend or supplement the Disclosure Schedules to this Agreement.

Section 7.07 Bankruptcy Court Approval. Each of the Sellers and Buyer acknowledge that this Agreement and the sale of the Purchased Assets are subject to Bankruptcy Court approval. The Sellers and Buyer shall cooperate with each other in seeking entry of the Confirmation Order. Buyer agrees that it will, at Buyer's own cost, promptly take all actions that are reasonably requested by the Sellers to assist in obtaining the Bankruptcy Court's entry of the Confirmation Order, including furnishing affidavits, financial information or other documents or information for filing with the Bankruptcy Court and making Buyer's employees and Representatives available to testify before the Bankruptcy Court.

Section 7.08 Certain Payments or Instruments Received from Third Parties. To the extent that, after the Closing Date, (a) Buyer receives any payment or instrument that is for the account of a Seller according to the terms of any Transaction Document or relates primarily to any business or business segment of the Sellers other than the Purchased Business, Buyer shall promptly deliver such amount or instrument to the relevant Seller, and (b) any of the Sellers or any of their Affiliates receives any payment that is for the account of Buyer according to the terms of any Transaction Document or relates primarily to the Purchased Business, the Sellers shall, and shall cause their Affiliates to, promptly deliver such amount or instrument to Buyer. All amounts due and payable under this Section 7.08 shall be due and payable by the applicable Party in immediately available funds, by wire transfer to the account designated in writing by the relevant Party. Notwithstanding the foregoing, each Party hereby undertakes to use its commercially reasonable efforts to direct or forward all bills, invoices or like instruments to the appropriate Party. Any payments received under this Section 7.08 by the applicable Party will be treated by the other Party as being received by the applicable Party in its capacity as an agent for the other Party solely for U.S. federal income tax purposes.

Section 7.09 Consents and Approvals. The Parties shall use commercially reasonable efforts, as set forth in this Agreement, to secure all approvals, authorizations, consents, Transferred Permits, Orders, assignments, releases, and/or waivers, if any, that are necessary to effect the transactions contemplated by this Agreement and the Transaction Documents. Such commercially reasonable efforts shall not require any material payment or other consideration from the Parties (other than (i) as contemplated by Section 7.03 and (ii) the Cure Costs, which shall be the responsibility of the Sellers).

Section 7.10 Ancillary Agreements. The Parties shall use commercially reasonable efforts to negotiate in good faith the Transition Services Agreement, the IP Assignment Agreement and the Permit Transfer Agreements prior to Closing, and in each case such terms shall be in a form (i) customary for transactions of the type contemplated by this Agreement and (ii) reasonably satisfactory to Buyer and the Sellers' Representative, in their respective sole discretion. Buyer will also use commercially reasonable efforts to negotiate in good faith coal throughput agreements between Buyer and the successful bidders of any properties adjacent to a Purchased Mining Complex or a Purchased Reserve Area.

Section 7.11 Overlapping Permits.

(a) To the extent that the permitted areas and outfalls covered by any National Pollutant Discharge Elimination System permit which is an Excluded Asset (each, an "**Excluded NPDES Permit**") overlaps with the permitted areas and outfalls covered by one or more Transferred Permits issued pursuant to the Surface Mining Reclamation and Control Act (each, an "**Assumed SMCRA Permit**"), Buyer and Sellers shall cooperate and use commercially reasonable efforts to remove, as soon as commercially practicable after the Closing, the permitted areas and outfalls covered by such Assumed SMCRA Permit(s) from such Excluded NPDES Permit. Without limiting the generality of the foregoing, as soon as commercially practicable after the Closing, (i) Buyer shall file with the appropriate Governmental Authority an application for a new National Pollutant Discharge Elimination System permit (each, a "**New NPDES Permit**") with respect to the areas and outfalls covered by such Assumed SMCRA Permit(s) and (ii) the applicable Seller shall, at Buyer's sole cost and expense, take all actions reasonably necessary or desirable under Applicable Law to modify such Excluded NPDES Permit to remove from such Excluded NPDES Permit the outfalls and areas covered by such Assumed SMCRA Permit(s) (the "**Overlapping NPDES Areas**"). To the extent allowed by and in accordance with Applicable Laws, the Sellers grant Buyer the right to conduct at the sole cost and expense of Buyer mining and reclamation or water treatment operations following the Closing on the Overlapping NPDES Areas under the applicable Excluded NPDES Permits as the designated operator until such Buyer's application for the applicable New NPDES Permit with respect to such Overlapping NPDES Areas is approved by the applicable Governmental Authority (the "**NPDES Interim Period**"). The Sellers shall have (and Buyer grants) all rights of entry onto the Overlapping NPDES Areas necessary for the Sellers to maintain the applicable Excluded NPDES Permit during the NPDES Interim Period and thereafter until final release of each Excluded NPDES Permit.

(b) Buyer at all times prior to end of the NPDES Interim Period shall: (i) comply with all Applicable Law governing, and all conditions and requirements of, or pertaining to, any such Excluded NPDES Permit with respect to any Overlapping NPDES Areas and (ii) be solely responsible for all incidents of violation, non-compliance, and similar occurrences related to the Overlapping NPDES Areas covered by an Excluded NPDES Permit that arise following the Closing. Buyer shall promptly deliver to the Sellers written notice of any such incidents, violations or occurrences, which the Sellers shall have the right, but not the obligation, to cure (including right of entry onto the applicable Overlapping NPDES Ares), and Buyer shall promptly reimburse the Sellers for the reasonable costs of any such cure.

ARTICLE 8
TAX MATTERS

Section 8.01 Tax Cooperation; Responsibility for Taxes.

(a) Buyer and the Sellers agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Purchased Business and the Purchased Assets and Assumed Liabilities (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, the making of any election

relating to Taxes, the preparation for any audit by any Taxing Authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax. Buyer shall retain all books and records with respect to Taxes pertaining to the Purchased Assets and the Assumed Liabilities for any Pre-Closing Tax Period for a period of at least six (6) years following the Closing Date. The Sellers and Buyer shall cooperate with each other in the conduct of any audit or other proceeding relating to Taxes involving the Purchased Assets, the Assumed Liabilities or the Purchased Business. The Sellers shall use commercially reasonable efforts to provide Buyer with such information that is in any of the Seller's possession and is reasonably requested by Buyer to identify the jurisdictions in which Tax Returns are required to be filed, or Taxes are required to be paid, and the types of Tax Returns required to be filed, in each case with respect to the Purchased Business or the Purchased Assets.

(b) All excise, sales, use, value added, registration stamp, recording, documentary, conveyancing, franchise, property, real property transfer, personal property transfer and similar Taxes, levies, charges and fees incurred in connection with the transactions contemplated by this Agreement (collectively, "**Transfer Taxes**") shall be borne by the Sellers. Buyer and the Sellers shall cooperate in providing each other with any appropriate resale exemption certifications and other similar documentation.

(c) The Party with the primary legal obligation for the reporting and payment of any Apportioned Taxes or Transfer Taxes shall file any Tax Returns and other documentation that must be filed in connection with such Apportioned Taxes or Transfer Taxes, and shall use its commercially reasonable efforts to provide such Tax Returns to the other Party at least ten (10) Business Days prior to the date such Tax Returns are due to be filed. If required by Applicable Law, the parties will, and will cause their respective Affiliates to, join in the execution of any such Tax Returns or other documentation.

(d) Apportioned Taxes and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by Applicable Law. The paying Party shall be entitled to reimbursement from or shall provide a refund to the non-paying Party in accordance with Section 2.07 or Section 8.01(b), as applicable. Upon payment of any such Apportioned Taxes or Transfer Taxes, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled under Section 2.07 or Section 8.01(b), as the case may be, or the amount of refund to which the non-paying Party is entitled under Section 2.07, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed or refunded. The applicable Party shall make the payment in the foregoing sentence promptly but in no event later than ten (10) days after the presentation of such statement. Any payment not made within such time shall bear interest at the federal underpayment rate for each day until paid. Notwithstanding the foregoing, the Party with the primary legal obligation to pay any Apportioned Taxes or Transfer Taxes may, in its sole discretion, seek reimbursement under this Section 8.01(d) from the non-paying Party prior to such Party's payment of any such Apportioned Taxes or Transfer Taxes, and the non-paying Party shall make such reimbursement promptly but in no event later than ten (10) days after the presentation of such statement; *provided*, that the non-paying Party shall not be required

to make such reimbursement earlier than ten (10) days prior to the date on which such Apportioned Taxes or Transfer Taxes are due.

(e) Unless otherwise agreed by the Parties, Sellers and Buyer agree to treat the transfer of assets to Buyer pursuant to this Agreement as a fully taxable asset purchase for all Tax purposes, and to file any and all Tax Returns accordingly; *provided, however*, that nothing contained herein shall prevent Buyer or the Sellers from settling any proposed deficiency or adjustment by any Taxing Authority based upon or arising out of the agreed tax treatment, and neither Buyer nor the Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any Taxing Authority challenging such agreed tax treatment.

ARTICLE 9
EMPLOYEE MATTERS

Section 9.01 Representations and Warranties. Sellers represent and warrant that:

(a) Schedule 9.01(a) contains a complete and accurate list of the following information for each employee of a Seller providing services to the Purchased Business as of the Effective Date, including each employee on active status, on a leave of absence, non-active or layoff status, or off work and receiving or eligible to receive benefits under any federal or state workers' compensation law, including the Black Lung Benefits Act (the "**Business Employees**"). Schedule 9.01(a) shall include for each Business Employee the name, job title, date of commencement of employment and status. No Seller or any of its Affiliates has received any written notification of any unfair labor practice charges or complaints relating to any Business Employee or the Purchased Business pending before any agency having jurisdiction thereof nor are there any current union representation claims against any Seller or any of its Affiliates involving any Business Employee or the Purchased Business and, to the Knowledge of the Sellers, no such charges or claims are threatened. No Seller or any of its Affiliates has any liability with respect to the misclassification of any Person performing services for the Purchased Business as an independent contractor rather than as an employee or with respect to any leased employee. Sellers are in material compliance with all Applicable Laws and all Orders relating to employment of the Business Employees or the use of services by independent contractors, including all such Applicable Laws and Orders relating to wages, hours, collective bargaining, discrimination, family or medical leave, civil rights, safety and health, mine and/or coal operations, Federal Mine Safety and Health Act, maintenance and cure, workers' compensation, unemployment compensation, pay equity, affirmative action, contracts (express or implied), benefits and the collection and payment of withholding and/or Social Security taxes and similar Taxes.

(b) Set forth on Schedule 9.01(b) is each "**Collective Bargaining Agreement**" to which any Seller is a party. Except as set forth on Schedule 9.01(b), to the Knowledge of the Sellers there are no union organizing activities or proceedings involving, or any pending petitions for recognition of, a labor union or association as the exclusive bargaining agent for, or where the purpose is to organize, any group or groups of Business Employees. There is not

currently pending, with regard to any of its facilities, any proceeding before the National Labor Relations Board, wherein any labor organization is seeking representation of any Business Employees. Except as set forth on Schedule 9.01(b), no Seller has any Knowledge of any strikes, work stoppages, grievances, work slowdowns or lockouts nor of any threats thereof, by or with respect to any of the Business Employees.

(c) Except as set forth on Schedule 9.01(c), with respect to the Purchased Business, there exist: (i) no charges of discrimination or lawsuits involving alleged violations of any fair employment law, wage payment law, occupational safety and health law; (ii) to the Knowledge of the Sellers, no threatened or pending litigation arising out of employment relationships, or other employment-related federal, state or local law; and (iii) to the Knowledge of the Sellers, no threatened or pending litigation arising out of employment relationships, by any applicant, Business Employee or former employee of the Purchased Business or any representative of any such Person or Persons. No charges or claims involving any of the facilities of any Seller or any of its Subsidiaries or any Business Employees or former employees of the Purchased Business are pending before any local, state or federal administrative agency, and no lawsuits involving any such facilities or employees are pending with respect to equal employment opportunity, age discrimination, occupational safety, or any other form of alleged employment practice or unfair labor practice.

(d) Within the twelve months prior to the Effective Date, no Seller or any Subsidiary of such Seller has implemented any plant closing or layoff of individuals employed at or who primarily provided service to the Purchased Business in violation of the WARN Act, the regulations promulgated thereunder, or any similar applicable foreign, state or local law. No Seller or any Subsidiary of such Seller has incurred any material liability under the WARN Act that remains unsatisfied as of the Closing Date. The Sellers have delivered to Buyer a true and complete list of layoffs, by location, implemented by the Sellers or any of their Subsidiaries in the 90-day period preceding the Closing Date at any location employing any individuals employed by the Purchased Business.

(e) With respect to each of the Patriot Coal Corporation 401(k) Retirement Plan, Plan No. 004, and the Patriot Coal Corporation Union Savings Plan, Plan No. 005 (the "**Patriot 401(k) Plans**"), such plans are qualified under Section 401 of the Code and each trust established in connection with such plans is exempt from federal income taxation under Section 501(a) of the Code, and the plans and each such trust have received a favorable determination or opinion letter from the Internal Revenue Service with respect to such qualification or exemption, and, to the Knowledge of the Sellers, nothing has occurred since the date of such letter that has or could reasonably be expected to adversely affect such qualification or exemption.

Section 9.02 Covenants.

(a) Buyer may offer employment to Business Employees on initial terms and conditions established solely by Buyer and subject to Buyer's customary hiring practices. Buyer, no later than five Business Days prior to the Closing, shall provide the Sellers with a list of those

Business Employees to whom it desires to offer employment on such terms (whether through Buyer or one of its Affiliates) effective as of the Closing (the "**Offered Employees**"). As of the Closing Date, the Sellers shall terminate the employment of each Offered Employee and shall cooperate with, and use their commercially reasonable efforts to assist, Buyer with Buyer's hiring of such Offered Employees. Those Offered Employees who accept Buyer's offer of employment and commence working for Buyer on the Closing Date (or upon return to work from approved vacation or leave of absence) shall herein be referred to as "**Hired Employees**." For the avoidance of doubt, the Sellers shall retain all Liabilities, including severance or other termination costs, if any, arising as a result of the transactions contemplated by this Agreement, relating to any Business Employees who do not become Hired Employees.

(b) With respect to Hired Employees, Buyer and the Sellers shall use the standard procedure set forth in Revenue Procedure 2004-53, 2004-34 I.R.B. 320, for purposes of employment tax reporting.

(c) The Sellers shall be solely responsible for all grievances, arbitrations, claims, demands, or charges of any nature whatsoever including, any such grievances, arbitrations, claims, demands, or charges whether now known or not yet made by any employees, bargaining agents, or governmental agencies, which result from or arise out of any event occurring prior to the Closing Date; and, the Sellers agree to hold harmless and indemnify Buyer for all such claims, if any, asserted against Buyer.

(d) The Sellers shall be responsible for all Workers' Compensation Liabilities arising out of any occupational injury or exposure for Hired Employees occurring on or prior to the Closing and Buyer shall be responsible for all Workers' Compensation Liabilities arising out of any occupational injury or exposure occurring following the Closing.

(e) The Sellers agree to reimburse Buyer promptly for all Black Lung Liabilities and Workers' Compensation Liabilities imposed on Buyer with respect to any Hired Employee who is not employed by Buyer for the duration of the statutory period set forth under the Black Lung Benefits Act required for Buyer to become a responsible operator with respect to such Hired Employee. In the event a claim is made against Buyer with respect to which Buyer believes the provisions of this Section 9.02(e) apply, Buyer shall promptly give notice thereof to the Sellers.

(f) [Intentionally omitted].

(g) Nothing in this Section 9.02 is intended to require Buyer to continue employment for any period of time or on any specific terms or conditions of any Hired Employee after the Closing. Nothing contained in this Agreement shall be construed as an amendment or modification of any Employee Benefit Plan of the Sellers or Buyer.

Section 9.03 No Third Party Beneficiaries. Without limiting the generality of Section 13.09, the provisions of this Article 9 are included for the sole benefit of the Sellers and Buyer and nothing herein, whether express or implied, shall create any third party beneficiary or other rights in any other Person, including in any current or former employee, independent contractor

or other service provider (including any beneficiary or dependent thereof) of the Sellers in respect of continued employment (or resumed employment) with Buyer or any of its Affiliates or the Purchased Business and no provision of this Article 9 shall create any rights in any such Persons in respect of any benefits that may be provided, directly or indirectly, under any Employee Plan, Buyer Plan or any plan or arrangement that may be established by Buyer or any of its Affiliates. No provision of this Agreement shall constitute a limitation on rights to amend, modify or terminate after the Closing Date any such plans or arrangements of the Sellers, Buyer or any of their respective Affiliates.

ARTICLE 10
CONDITIONS TO CLOSING

Section 10.01 Conditions to Obligations of Buyer and the Sellers. The obligations of Buyer and the Sellers to consummate the Closing are subject to the satisfaction of the following conditions:

(a) Any applicable waiting period under the HSR Act relating to the transactions contemplated hereby shall have expired or been terminated; and

(b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Order, writ, judgment, injunction, decree stipulation, determination or award which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of the transactions contemplated by this Agreement or causing any of the transactions contemplated by this Agreement to be rescinded following completion thereof.

Section 10.02 Conditions to Obligation of Buyer. The obligation of Buyer to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) Each Seller shall have performed or complied with, in each case, in all material respects, all of its obligations hereunder required to be performed by it on or prior to the Closing Date.

(b) Representations and Warranties.

(i) Each of the representations and warranties of the Sellers contained in this Agreement (without giving effect to any qualification as to materiality, Material Adverse Effect or words of similar import included therein), other than Fundamental Representations of the Sellers, shall be true and correct in all respects on and as of the Effective Date and on and as of the Closing Date, as if made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects), except where the failure to be so true and correct (without giving effect to any qualifications as to materiality, Material Adverse Effect or words of similar import

included therein) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ii) Each of the Fundamental Representations of the Sellers contained in this Agreement shall be true and correct in all respects on and as of the Effective Date and on and as of the Closing Date, as if made at and as of such date.

(c) Buyer shall have received a certificate signed by an authorized officer of Patriot certifying the satisfaction of the conditions set forth in the foregoing clauses (a) and (b).

(d) Since the Effective Date, there shall not have occurred any Material Adverse Effect (or any development that would reasonably be expected to result in a Material Adverse Effect).

(e) All Purchased Assets shall be free and clear of all Encumbrances, other than the Assumed Liabilities and Permitted Encumbrances.

(f) [Intentionally omitted].

(g) The Bankruptcy Court shall have entered an Order (the "**Confirmation Order**") in form and substance acceptable to Buyer, by no later than October 1, 2015, which date Buyer may waive or extend in its sole discretion, (a) confirming the Plan, (b) approving the sale of the Purchased Assets to Buyer free and clear of all Encumbrances pursuant to *inter alia*, sections 105, 365, 1123(b)(4), 1129(b)(2)(A) and 1146(a) of the Bankruptcy Code (c) approving the assumption and assignment to Buyer of the Assumed Contracts and Assumed Leases pursuant to section 365 of the Bankruptcy Code, (d) containing findings of fact and conclusions of law that Buyer is a good faith purchaser entitled to and granted the protections of Bankruptcy Code section 363(m), (e) containing findings of fact and conclusions of law that Buyer is not successor to, or subject to successor liability for any Seller, (f) explicitly providing that there are no successorship obligations for Buyer including (i) under any collective bargaining agreements (including the Seller Collective Bargaining Agreement), (ii) no liability as a successor to any obligation under the Coal Act or (iii) no common law successorship obligation in relation to any Employee Benefit Plan, including with respect to any withdrawal liability, and (g) containing such other terms which are otherwise reasonably acceptable to Buyer, including, without limitation, those set forth on EXHIBIT E attached hereto.

(h) The Confirmation Order shall be a Final Order, and the Plan shall have become effective pursuant to the Confirmation Order (or shall become effective concurrent with the Closing Date hereunder).

(i) No Seller shall have entered into or permitted the Purchased Business to enter into any other collective bargaining agreement or other labor agreement with any union or other labor organization.

(j) The objection deadline shall have passed for all counterparties to Assumed Contracts and Assumed Leases to object to the Cure Costs contained in their respective Contract Notice; *provided*, that such objection deadline shall be no less than seven days after such Contract Notice is served on each such counterparty.

(k) The Cure Costs shall have been paid by, or on behalf of, Sellers (or otherwise reserved in accordance with this Agreement and an Order of the Bankruptcy Court reasonably acceptable to Buyer).

The foregoing conditions of this Section 10.02 are for the sole benefit of Buyer and may be waived by Buyer, in whole or in part, at any time and from time to time in the sole discretion of Buyer. The failure by Buyer at any time to exercise any of its rights hereunder shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

Section 10.03 Conditions to Obligation of the Sellers. The obligation of the Sellers to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) Buyer shall have performed or complied with, in each case, in all material respects, all of its obligations hereunder required to be performed by it on or prior to the Closing Date.

(b) The Confirmation Order shall have become a Final Order (unless such Final Order requirement shall have been waived by Buyer) and shall not have been stayed, vacated, reversed, modified or supplemented without Buyer's prior written consent given in its sole discretion.

(c) Representations and Warranties.

(i) Each of the representations and warranties of Buyer contained in this Agreement (without giving effect to any qualification as to materiality, material adverse effect or words of similar import included therein), other than Fundamental Representations of Buyer, shall be true and correct in all respects on and as of the Effective Date and on and as of the Closing Date, as if made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects), except where the failure to be so true and correct (without giving effect to any qualifications as to materiality, material adverse effect or words of similar import included therein) would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Buyer's ability to consummate the transactions contemplated by this Agreement, after giving effect to the Confirmation Order.

(ii) Each of the Fundamental Representations of Buyer contained in this Agreement shall be true and correct in all respects on and as of the Effective Date and on and as of the Closing Date, as if made at and as of such date.

(d) The Sellers shall have received a certificate signed by the Chief Executive Officer or Chief Financial Officer of Buyer certifying the satisfaction of the conditions set forth in the foregoing clauses (a) and (c).

The foregoing conditions of this Section 10.03 are for the sole benefit of the Seller and may be waived by the Sellers, in whole or in part, at any time and from time to time in the sole discretion of the Sellers. The failure by the Sellers at any time to exercise any of its rights hereunder shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

Section 10.04 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this Article 10 to be satisfied to excuse such Party's obligation to effect the Closing if such failure was caused by such Party's breach of this Agreement.

ARTICLE 11
INDEMNIFICATION; NO OTHER REPRESENTATIONS

Section 11.01 Indemnification. From and after the Closing, Sellers shall indemnify, defend and hold harmless Buyer and its respective Affiliates and their respective Representatives (collectively, the "**Buyer Indemnified Parties**") from and against all Losses incurred or suffered by the Buyer Indemnified Parties arising out of, relating to or resulting from (a) any breach by any Seller of (i) their representations and warranties set forth in Article 3, provided that Sellers shall not have any liability with respect to any such breach unless the aggregate Losses with respect to such breach exceeds $20,000 and (ii) the covenants, agreements or obligations of Sellers contained herein, (b) to the extent paid by Buyer, Excluded Pre-Closing Fines and Pre-Closing MSHA Fines and (c) fifty percent of any indemnification payments made by Buyer to the Escrow Agent pursuant to the Escrow Agreement and Deposit Escrow Agent pursuant to the Deposit Escrow Agreement (unless in each case of this item (c), Sellers have directly paid the Escrow Agent or Deposit Escrow Agreement fifty percent of the total Loss by the Escrow Agent or Deposit Escrow Agent eligible for indemnification; *provided*, *however*, in no event shall any Seller's aggregate liability hereunder exceed the Escrow Fund.

Section 11.02 Exclusive Remedy; Reduction of Benefit. Buyer and Sellers acknowledge and agree that from and after the Closing, (i) the remedies provided in this Article 11 shall be the sole and exclusive remedies for any and all claims against Sellers arising under, out of, related to or in connection with this Agreement and no Person will have any other entitlement, remedy or recourse, whether in contract, tort or otherwise against Sellers, it being agreed that all of such other remedies, entitlements and recourse are expressly waived and released by the Parties to the fullest extent permitted by Applicable Law, and (ii) payment from and out of the Escrow Fund pursuant to and in accordance with this Agreement and the Escrow Agreement shall be the sole and exclusive remedy and source of funds available to the Buyer Indemnified Parties and any other Person for any Actions or proceedings or other claims against Sellers arising out of or relating to this Agreement or the transactions contemplated herein, whether relating to a breach of covenant, agreement or obligation in this Agreement, and whether

based on contract, tort, strict liability, any Applicable Laws or otherwise. The provisions of this Section 11.02 were specifically bargained for by the Parties and taken into account by them in arriving at the Purchase Price and the terms and conditions of this Agreement. No Party shall be entitled to rescission of this Agreement (or any related agreements) or, other than as expressly reserved for hereunder, any further indemnification rights or claims of any nature whatsoever, all of which are hereby expressly waived by the Parties to the fullest extent permitted by Applicable Law.

Section 11.03 Escrow Claims; Release of Security.

(a) From time to time on or before the twenty-four (24)-month anniversary of the Closing Date, Buyer may give notice (a "**Notice**") to Sellers' Representative and the Escrow Agent specifying in reasonable detail the nature and dollar amount of any claim (a "**Claim**") it may have under Article 11. Buyer may make more than one Claim with respect to any underlying state of facts. If Sellers' Representative gives notice to Buyer and the Escrow Agent disputing any Claim (a "**Counter Notice**") within fifteen (15) days following receipt by Escrow Agent of the Notice regarding such Claim, such Claim shall be resolved as provided in Section 11.03(b). If no Counter Notice is received by the Escrow Agent within such fifteen-day (15-day) period, then the dollar amount of Losses claimed by Buyer as set forth in its Notice shall be deemed established for purposes of this Agreement and, within three (3) Business Days following the end of such fifteen-day (15-day) period, Buyer and Sellers' Representative shall execute deliver to the Escrow Agent joint instructions in the form contemplated in the Escrow Agreement directing that the dollar amount claimed in the Notice be paid to Buyer from the Escrow Fund.

(b) If a Counter Notice is given with respect to a Claim, such Claim shall be resolved in accordance with Applicable Laws and the terms and conditions of this Agreement.

(c) On the first Business Day following (a) the twelve (12) month anniversary of the Closing Date, Buyer and Sellers shall direct the Escrow Agent to release to Sellers the then-remaining in the Escrow Fund (if any) in excess of $5,000,000, and (b) the twenty-four (24) month anniversary of the Closing Date, Buyer and Sellers shall direct the Escrow Agent to release to Sellers the then-remaining Escrow Fund (if any), minus, in each case, the sum of (i) any amounts that Sellers have become obligated to pay pursuant to the terms of this Article 11, but that the applicable Buyer Indemnified Party has yet to receive and (ii) the aggregate amount of all Losses specified in any then-unresolved good faith claims for indemnification made in accordance with this Agreement prior to such date. After final resolution of any such unresolved claims as contemplated in the immediately preceding sentence, the Escrow Agent shall distribute the funds remaining in the Escrow Fund to the accounts of Sellers.

ARTICLE 12
TERMINATION

Section 12.01 Grounds for Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of the Sellers and Buyer;

(b) by either the Sellers or Buyer if the Closing shall not have been consummated on or before October 15, 2015 (the "**End Date**"); *provided, however*, that at the time of such termination, the Party seeking to terminate shall not be in material breach of its obligations under this Agreement such that the conditions to Closing of other Party would not be satisfied, including such first Party's obligation to consummate the Closing on the terms and subject to the conditions set forth herein;

(c) by either the Sellers or Buyer if consummation of the transactions contemplated hereby would violate any nonappealable Final Order, decree or judgment of any Governmental Authority having competent jurisdiction;

(d) by the Sellers if (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Buyer set forth in this Agreement shall have occurred that would cause any of the conditions set forth in Section 10.01 or Section 10.03 not to be satisfied and (ii) such condition is incapable of being cured or, if curable, is not cured by Buyer by the earlier of (A) within 20 days after the giving of written notice of such breach or failure and (B) the End Date; *provided*, that at the time of such termination, the Sellers shall not be in material breach of its obligations under this Agreement;

(e) by Buyer if (i) a material breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Sellers set forth in this Agreement shall have occurred that would cause any of the conditions set forth in Section 10.01 or Section 10.02 not to be satisfied and (ii) such condition is incapable of being cured or, if curable, is not cured by the Sellers by the earlier of (A) within 20 days after the giving of written notice of such breach or failure and (B) the End Date; *provided*, that at the time of such termination, Buyer shall not be in material breach of its obligations under this Agreement;

(f) (i) by the Sellers or Buyer if any Seller enters into a definitive agreement with respect to an Alternative Transaction, (ii) by either Buyer or the Sellers if the Bankruptcy Court approves an Alternative Transaction, or automatically if an Alternative Transaction is consummated or (iii) by Buyer if the Sellers seek to have any Alternative Transaction approved by the Bankruptcy Court or file a Chapter 11 plan or reorganization which proposes an Alternative Transaction;

(g) [Intentionally omitted];

(h) by Buyer if the Confirmation Order shall not have been entered on or before October 1, 2015, or either such Order shall have been stayed, vacated, reversed, modified or amended at any time in any respect without the prior written consent of Buyer given in its sole discretion;

(i) by Buyer if any Seller (A) moves to voluntarily dismiss any of the Bankruptcy Cases, (B) moves for conversion of any of the Bankruptcy Cases to Chapter 7 of the Bankruptcy

Code or (C) moves for appointment of an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code or a trustee in any of the Bankruptcy Cases;

(j) by Buyer if (A) a trustee or an examiner with expanded powers is appointed in any of the Bankruptcy Cases or (B) any of the Bankruptcy Cases is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code; or

(k) by Buyer if any court of competent jurisdiction shall enter a final, non-appealable judgment or Order declaring this Agreement to be unenforceable.

The Party desiring to terminate this Agreement pursuant to Sections 12.01(b), 12.01(c), 12.01(d), 12.01(e), or Section 12.01(f) shall give notice of such termination to the other Parties.

Section 12.02 Effect of Termination.

(a) If this Agreement is terminated as permitted by Section 12.01, such termination shall be without liability of any Party or any of its Affiliates (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the Parties to this Agreement; *provided* that if such termination shall result from fraud by a Party, such Party shall be fully liable for any and all Losses incurred or suffered by the other Parties as a result of such fraud. The provisions of Sections 5.08, 6.01 and 7.04, this Section 12.02 and Article 13 shall survive any termination hereof pursuant to Section 12.01.

(b) In the case that this Agreement is terminated pursuant to Section 12.01(d) the Deposit shall be disbursed by the Deposit Escrow Agent to Sellers' Representative in immediately available funds; in all other circumstances, the Deposit shall be disbursed by the Deposit Escrow Agent to Buyer in immediately available funds. If Sellers elect to terminate this Agreement pursuant to Section 12.01(d), Sellers' right to receive the Deposit shall be its sole and exclusive remedy. Alternatively, Sellers have the right to seek specific performance pursuant to the terms of the Equity Commitment Letter directly against the Equity Financing Sources in accordance with the terms thereof (such Equity Financing Sources having waived any right or defense under section 365(c)(2) of the Bankruptcy Code with respect to such enforcement) and to cause Buyer, pursuant to Section 13.13, to comply with its obligations under this Agreement to effect the Closing through funding the remainder of the Purchase Price pursuant to the Equity Commitment Letter, with such remainder funded through the release of the Deposit to Seller. For the avoidance of doubt, while the Sellers may pursue both a grant of specific performance and the disbursement of the Deposit, under no circumstances shall the Sellers be permitted or entitled to receive both a grant of specific performance and any monetary damages, including any monetary damages in lieu of specific performance and all or any portion of the Deposit.

ARTICLE 13
MISCELLANEOUS

Section 13.01 Notices. All notices, requests and other communications to any Party shall be in writing (including facsimile transmission and electronic mail ("**e-mail**") transmission) and shall be given,

if to Buyer, to:

Coronado Mining, LLC
57 Danbury Road, Suite 201
Wilton, CT 06897
Attention: Garold R. Spindler
Facsimile No.: (203) 761-4953
E-mail: gspindler@coronadocoal.com

with a copy to:

Squire Patton Boggs (US) LLP
221 E. Fourth St., Suite 2900
Cincinnati, Ohio 45202
Attention: Stephen D. Lerner
Facsimile No.: (513) 361-1201
E-mail: stephen.lerner@squirepb.com

if to the Sellers or to Sellers' Representative, to:

Patriot Coal Corporation
63 Corporate Center Drive
Scott Depot, WV 25560
Attention: Robert W. Bennett
Facsimile No.:
E-mail: bbennett@patriotcoal.com

with a copy to:

Kirkland & Ellis LLP
600 Travis Street, Suite 3300
Houston, TX 77002
Attention: John D. Pitts
Facsimile No.: (713) 835-3601
E-mail:john.pitts@kirkland.com

Kirkland & Ellis LLP
601 Lexington Avenue

New York, NY 10022
Attention: Stephen E. Hessler
Ross M. Kwasteniet
Facsimile No.: (212) 446-4900
E-mail:shessler@kirkland.com
rkwasteniet@kirkland.com

or such other address or facsimile number as such Party may hereafter specify for the purpose by notice to the other parties hereto. All notices and other communications given in accordance with the provisions of this Agreement shall be deemed to have been given and received when delivered by hand or transmitted by facsimile (with confirmation of transmission) or email, three Business Days after the same are sent by certified or registered mail, postage prepaid, return receipt requested or one Business Day after the same are sent by a reliable overnight courier service, with acknowledgement of receipt.

Section 13.02 Survival. The representations, warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Closing, except for (i) the agreements and covenants which by their terms are to be performed by the Parties at or following the Closing (including, for the avoidance of doubt, the agreements and covenants in Section 2.06, Section 2.07, Section 2.11, Section 2.13, Section 5.06, Section 5.07, Section 5.10, Section 6.02, Section 6.04, Section 7.03, Section 7.05, Section 7.08, Section 7.11, Article 8, and Section 9.02) and (ii) the pre-Closing covenants and agreements with respect to (x) the obligations of the Sellers to transfer, or to bring about the transfer, to Buyer of title to the Purchased Assets (including, title to the Owned Real Property, the Assumed Leases, the Personal Property, Equipment and Fixed Assets, the Assumed Contracts and the Transferred Permits) and Buyer's assumption of the Assumed Liabilities and (y) the Excluded Liabilities and Excluded Assets.

Section 13.03 Amendments and Waivers. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 13.04 Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the Party incurring such cost or expense.

Section 13.05 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and

assigns; *provided*, that no Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other Party. Notwithstanding the foregoing sentence Buyer shall have the right to assign to any one or more of its Affiliates any of its rights or obligations under this Agreement, the Transaction Documents or any other document or instrument, in whole or in part; *provided*, that no assignment hereunder shall relieve Buyer of its obligations under this Agreement, the Transaction Documents or any other such document or instrument and Buyer shall cause such assignees to perform such obligations on behalf of Buyer in accordance with the terms of this Agreement, the Transaction Documents or such other document or instrument, as applicable.

Section 13.06 Governing Law. This Agreement, and all claims or causes of action based upon, arising out of, or related to this Agreement or the transactions contemplated hereby, shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law rules of such state to the extent such principles or rules would require or permit the application of laws of another jurisdiction.

Section 13.07 Jurisdiction. To the fullest extent permitted by Applicable Law, the parties hereto (a) agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought (i) in the Bankruptcy Court, if brought prior to the entry of a final decree closing the Bankruptcy Case and (ii) in the Chancery Court of the State of Delaware (or, if the Delaware Chancery Court shall be unavailable, any other court of the State of Delaware or, in the case of claims to which the federal courts have subject matter jurisdiction, any federal court of the United States sitting in the State of Delaware (the "**Delaware Courts**"), if brought after entry of such final decree closing the Bankruptcy Case, and shall not be brought, in each case, in any other state or federal court in the United States, (b) agree to submit to the exclusive jurisdiction of the Bankruptcy Court or the Delaware Courts, as applicable, pursuant to the preceding clauses (a)(i) and (a)(ii), for purposes of all suits, actions or proceedings arising out of, or in connection with this Agreement or the Transaction Documents or the transactions contemplated hereby and thereby, (c) waive and agree not to assert any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party as provided in Section 13.01 shall be deemed effective service of process on such Party. Without limiting the generality of Section 13.15, each Party hereby waives, to the fullest extent permitted by law, any objection which any of them may have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such claim, suit, action or proceeding in any such court.

Section 13.08 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY

LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 13.09 Counterparts; Effectiveness; Third Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. Until and unless each Party has received a counterpart hereof signed by the other Parties, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies or Liabilities hereunder upon any Person other than the Parties and their respective successors and assigns.

Section 13.10 Entire Agreement. This Agreement, the Transaction Documents, the Buyer Confidentiality Agreement and the Seller Confidentiality Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 13.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 13.12 Disclosure Schedules. The Sellers and Buyer, as applicable, have set forth information on the Disclosure Schedule in a section thereof that corresponds to the section of this Agreement to which it relates. A matter set forth in one section of a Schedule need not be set forth in any other section so long as its relevance to such other section of the Schedule or section of the Agreement is reasonably apparent on the face of the information disclosed therein to the Person to which such disclosure is being made. The parties acknowledge and agree that (i) the Schedules to this Agreement may include certain items and information solely for informational purposes for the convenience of Buyer or the Sellers, as applicable, and (ii) the disclosure by the Sellers or Buyer, as applicable, of any matter in the Schedules shall not be deemed to constitute an acknowledgment by the Sellers or Buyer, as applicable, that the matter is required to be disclosed by the terms of this Agreement or that the matter is material.

Section 13.13 Specific Performance. The Parties acknowledge and agree that irreparable damage for which monetary damages, even if available, would not be an adequate

remedy, would occur if the Parties do not perform any provision of this Agreement with the terms hereof, or otherwise breach any such provision, and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief when expressly available pursuant to the terms of this Agreement on the basis that (i) there is adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such Order or injunction.

Section 13.14 Sellers' Representative.

(a) Each Seller designates Sellers' Representative as their representative and attorney-in-fact of such Seller with full power and authority, including power of substitution, acting in the name of and on behalf of such Seller, for all purposes under this Agreement, including receipt of disclosures, granting and/or executing consents or waivers, receiving notices, settling disputes with respect to indemnification claims and the calculation of the Purchase Price and agreeing to and executing amendments and/or modifications to this Agreement.

(a) By executing this Agreement under the heading of "Sellers' Representative," Patriot hereby (i) accepts its appointment and authorization to act as Sellers' Representative as attorney-in-fact and agent on behalf of the Sellers in accordance with the terms of this Agreement and (ii) agrees to perform its obligations under, and otherwise comply with, this Section 13.14 and not to resign or otherwise vacate its role as Seller's Representative.

(b) In the performance of its duties hereunder, Sellers' Representative shall be entitled to rely upon any document or instrument reasonably believed by it to be genuine and accurate. Sellers' Representative may assume that any Person purporting to give any notice in accordance with the provisions hereof has been duly authorized to do so. In the absence of proven willful misconduct, (i) Sellers' Representative shall not be liable to the Sellers with respect to its performance of the functions specified in this Agreement, and (ii) no Seller shall commence, prosecute or maintain any actions or proceedings against Sellers' Representative with respect to its performance of the functions specified in this Agreement. In determining the occurrence of any fact, event or contingency, Sellers' Representative may request from any of the Sellers or any other Person such reasonable additional evidence as Sellers' Representative in its sole discretion may deem necessary, and may at any time inquire of and consult with others, including any of the Sellers, and shall not be liable to any Seller for any damages resulting from any delay in acting hereunder pending receipt and examination of additional evidence requested.

Section 13.15 [Intentionally omitted].

Section 13.16 Non-Recourse. All claims or causes of action (whether in contract or in tort or otherwise) that may be based upon, arise out of or relate to this Agreement, or the

negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the Persons that are expressly identified as Parties (i.e., the Sellers, Sellers' Representative or Buyer). No Person who is not a named party to this Agreement, including any past, present or future direct or indirect director, officer, employee, incorporator, member, manager, partner, equityholder, Affiliate, agent, attorney or other representative of any named party to this Agreement (such Persons, collectively, "**Non-Party Affiliates**"), shall have any liability (whether in contract or in tort or otherwise, or based upon any theory that seeks to impose liability of an entity party against its owners or Affiliates) for any obligations or liabilities arising under, in connection with or related to this Agreement or for any claim based on, in respect of, or by reason of this Agreement or its negotiation or execution, and each Party waives and releases all such liabilities, claims and obligations against any such Non-Party Affiliates.

Section 13.17 Final DIP Order. Each Party hereby acknowledges and agrees that nothing in this Agreement shall limit or otherwise modify the Adequate Protection Obligations under, and as defined in, the *Final Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing Use of Cash Collateral, (C) Granting Liens and Superpriority Claims, (D) Granting Adequate Protection, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief Motion to Approve Debtor in Possession Financing Docket No. 230* (the "Final DIP Order"); *provided, however*, such Adequate Protection Obligations, and the Encumbrances securing the same, shall in no event attach to the Purchased Assets on or after the Closing Date.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CORONADO MINING, LLC

By: _____
Name: Garold R. Spindler
Title: Chief Executive Officer

PATRIOT COAL CORPORATION, on behalf of the Sellers and in its capacity as Sellers' Representative

By: _____
Name: Robert W. Bennett
Title: President and CEO

EXHIBIT A

FORM OF

CONTRACTS ASSIGNMENT AND ASSUMPTION AGREEMENT

This **CONTRACTS ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "**Assignment**") is dated as of [●], 2015 (the "**Effective Date**"), and is made and entered into by and among Patriot Coal Corporation, a Delaware corporation ("**Patriot**"), the Subsidiaries (as hereinafter defined) of Patriot that are set forth on Schedule A of the Agreement (as hereinafter defined) (collectively, the "**Patriot Subsidiaries**", and together with Patriot, the "**Sellers**", and each such party is sometimes referred to herein individually as a "**Seller**") and Coronado Mining, LLC, a Delaware limited liability company ("**Buyer**").

WHEREAS, Sellers and Buyer are parties to an Asset Purchase Agreement, dated as of [●], 2015 (as amended from time to time, the "**Agreement**");

WHEREAS, Sellers are a party to, or otherwise have been assigned and have assumed, the contracts and agreements listed on Exhibit A attached hereto and incorporated herein by reference (collectively, the "**Assumed Contracts**"); and

WHEREAS, pursuant to the terms of the Agreement, Sellers shall assign the Assumed Contracts to Buyer upon the terms and conditions set forth therein and herein.

NOW, **THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows;

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

2. Assignment and Assumption. Pursuant to the Agreement, each Seller hereby grants, conveys, transfers, assigns, sells and delivers to Buyer as of the date hereof, in accordance with and subject to the terms of the Agreement, all right, title and interest of such Seller now or hereafter existing, in, to and under the Assumed Contracts to which such Seller is a party, and Buyer hereby accepts such assignment, and assumes and agrees to pay, perform and discharge, as and when due, all of the duties and obligations of such Seller under the Assumed Contracts, except to the extent such duties and obligations constitute Excluded Liabilities.

3. Conflict. This Assignment is subject to all the terms and provisions of the Agreement, including without limitation all representations and warranties and indemnities. No provision of this Assignment shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and provisions of this Assignment and the terms and provisions of the Agreement, the terms and provisions of the Agreement shall control.

4. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. Counterparts. This Assignment may be executed in one or more counterparts (including by means of facsimile or e-mail signature pages) and all such counterparts taken together shall constitute one and the same agreement.

6. Governing Law. This Assignment, and all claims or causes of action based upon, arising out of, or related to this Assignment or the transactions contemplated hereby, shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law rules of such state to the extent such principles or rules would require or permit the application of laws of another jurisdiction.

7. Entire Agreement. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superseded by this Assignment and the Agreement, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth in this Assignment or the Agreement.

8. Headings. Section headings are not to be considered part of this Assignment, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Assignment or any provision in it.

9. Further Assurances. Each party hereto agrees, upon the reasonable request of the other party hereto (and at such other party's expense), to make, execute and deliver any and all documents or instruments of any kind or character, and to perform all such other actions, that may be reasonably necessary or proper to effectuate, confirm, perform or carry out the terms or provisions of this Assignment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

PATRIOT COAL CORPORATION, on behalf of the Sellers

By: _____
Name:
Title:

CORONADO MINING, LLC

By: _____
Name:
Title:

EXHIBIT B

FORM OF

GENERAL ASSIGNMENT AND BILL OF SALE

This **GENERAL ASSIGNMENT AND BILL OF SALE**, dated as of [●], 2015 (this "**Bill of Sale**"), is made and entered into by and among Patriot Coal Corporation, a Virginia corporation ("**Patriot**"), the Subsidiaries of Patriot set forth on Schedule A of the Asset Purchase Agreement (collectively, the "**Patriot Subsidiaries**", and together with Patriot, the "**Sellers**") and Coronado Mining, LLC, a Delaware limited liability company ("**Buyer**").

W I T N E S S E T H :

WHEREAS, Buyer and the Sellers have concurrently herewith consummated the purchase by Buyer of the Purchased Assets pursuant to the terms and conditions of the Asset Purchase Agreement dated [●], 2015 by and among Buyer and the Sellers, (the "**Asset Purchase Agreement**"; terms defined in the Asset Purchase Agreement and not otherwise defined herein being used herein as therein defined); and

WHEREAS, this Bill of Sale is being entered into to effect the transactions contemplated by the Asset Purchase Agreement.

NOW, **THEREFORE**, in consideration of the sale of the Purchased Assets and in accordance with the terms of the Asset Purchase Agreement, Buyer and the Sellers agree as follows:

1. The Sellers do hereby grant, convey, sell, transfer, assign and deliver to Buyer all of the right, title and interest of the Sellers in, to and under the Purchased Assets (other than those Purchased Assets transferred pursuant to other Transaction Documents), including without limitation, the Purchased Assets described on Exhibit A attached hereto and incorporated herein by reference.

2. This Bill of Sale is subject to all the terms and provisions of the Agreement, including without limitation all representations and warranties. No provision of this Bill of Sale shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and provisions of this Bill of Sale and the terms and provisions of the Asset Purchase Agreement, the terms and provisions of the Asset Purchase Agreement shall control.

3. This Bill of Sale shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law rules of such state.

4. This Bill of Sale may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

5. Each party hereto agrees, upon the reasonable request of any other party hereto (and at such other party's expense), to make, execute and deliver any and all documents or instruments of any kind or character, and to perform all such other actions, that may be reasonably necessary or proper to effectuate, confirm, perform or carry out the terms or provisions of this Bill of Sale.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Bill of Sale to be duly executed as of the day and year first above written.

PATRIOT COAL CORPORATION, on behalf of the Sellers

By: _____
Name:
Title:

CORONADO MINING, LLC

By: _____
Name:
Title:

EXHIBIT C

FORM OF

LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT

This **LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "**Assignment**") is dated as of [●], 2015 (the "**Effective Date**"), and is made and entered into by and among Patriot Coal Corporation, a Delaware corporation ("**Patriot**"), the Subsidiaries of Patriot set forth on Schedule A of the Agreement (as hereinafter defined) (collectively, the "**Patriot Subsidiaries**", and together with Patriot, the "**Sellers**", and each such party is sometimes referred to herein individually as a "**Seller**") and Coronado Mining, LLC, a Delaware limited liability company ("**Buyer**").

WHEREAS, Sellers are a party to, or otherwise have been assigned and have assumed, the Assumed Leases (including the Assumed Leases listed on Exhibit A attached hereto) (including all prepaid royalties and un-recouped minimum royalties thereunder) (collectively, the "**Leases**"); and

WHEREAS, pursuant to the terms of that certain Asset Purchase Agreement, dated as of [●], 2015 (as amended from time to time, the "**Agreement**"), to which Sellers and Buyer are parties, each Seller shall assign the Leases to Buyer upon the terms and conditions set forth therein and herein.

NOW, **THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

2. Assignment and Assumption. Pursuant to the Agreement, each Seller hereby grants, conveys, transfers, assigns, sells and delivers to Buyer as of the date hereof, in accordance with and subject to the terms of the Agreement, all of such Seller's right, title and interest in, to and under the Leases to which such Seller is a party, and Buyer hereby accepts such assignment, and assumes and agrees to pay, perform and discharge, as and when due, all of the duties and obligations of such Seller under the Leases, except to the extent such duties and obligations constitute Excluded Liabilities.

3. Conflict. This Assignment is subject to all the terms and provisions of the Agreement, including without limitation all representations and warranties and indemnities. No provision of this Assignment shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and provisions of this Assignment and the terms and provisions of the Agreement, the terms and provisions of the Agreement shall control.

4. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. Counterparts. This Assignment may be executed in one or more counterparts (including by means of facsimile or e-mail signature pages) and all such counterparts taken together shall constitute one and the same agreement.

6. Governing Law. This Assignment, and all claims or causes of action based upon, arising out of, or related to this Assignment or the transactions contemplated hereby, shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law rules of such state to the extent such principles or rules would require or permit the application of laws of another jurisdiction.

7. Entire Agreement. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superseded by this Assignment and the Agreement, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth in this Assignment or the Agreement.

8. Headings. Section headings are not to be considered part of this Assignment, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Assignment or any provision in it.

9. Further Assurances. Each party hereto agrees, upon the reasonable request of the other party hereto (and at such other party's expense), to make, execute and deliver any and all documents or instruments of any kind or character, and to perform all such other actions, that may be reasonably necessary or proper to effectuate, confirm, perform or carry out the terms or provisions of this Assignment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

PATRIOT COAL CORPORATION, on behalf of the Sellers

By: _____
Name:
Title:

CORONADO MINING, LLC

By: _____
Name:
Title:

EXHIBIT D

FORM OF ESCROW DEPOSIT AGREEMENT

AGREEMENT dated this __ day of ____ 2015, by and between PATRIOT COAL CORPORATION ("Patriot" or "Seller"), a Delaware corporation, on behalf of the Sellers and in its capacity as Sellers' Representative, having an address at 63 Corporate Center Drive, Scott Depot, WV 25560, CORONADO MINING, LLC ("Coronado" or "Buyer"), a Delaware limited liability company, having an office at 57 Danbury Road, Suite 201, Wilton, CT 06897, and SIGNATURE BANK (the "Escrow Agent"), a New York State chartered bank, having an office at 565 Fifth Avenue, 12th Floor, New York, NY 10017.

WITNESSETH:

WHEREAS, Seller and Buyer have agreed that a certain sum of money shall be held in escrow upon certain terms and conditions; and

WHEREAS, Seller and Buyer appoint Escrow Agent as escrow agent of such escrow subject to the terms and conditions set forth in this Escrow Deposit Agreement ("Agreement"); and

WHEREAS, Escrow Agent accepts such appointment as escrow agent subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED as follows:

1. Delivery of Escrow Funds. Seller and Buyer will deliver, or shall be caused to be delivered, to the Escrow Agent checks or wire transfer made payable to "Signature Bank as Escrow Agent for Patriot/Coronado Deposit Escrow Account" to be held in a separate fiduciary account at Signature Bank entitled "Patriot Coal Corporation and Coronado Mining, LLC, Signature Bank as Escrow Agent for" (the "Escrow Account") having ABA No. 026013576, Account No. _____. The Escrow Account shall be (a) separate and segregated apart from the general assets and funds of Escrow Agent, its affiliates, their respective customers and all other accounts of the foregoing and (b) in the event a receiver is appointed for Escrow Agent or Escrow Agent is placed in liquidation, transferred by such receiver or liquidating agent to a substitute fiduciary. The Escrow Agent shall have no duty or responsibility to enforce the collection or demand payment of these checks or any other funds delivered to Escrow Agent for deposit into the Escrow Account. If, for any reason, these checks or any other funds deposited into the Escrow Account shall be returned unpaid to the Escrow Agent, the sole duty of the Escrow Agent shall be to advise Seller and Buyer promptly thereof and return a check in the manner directed in writing by Seller and Buyer. The collected funds deposited into the Escrow Account are referred to as the "Escrow Funds".

2. Acceptance by Escrow Agent. The Escrow Agent hereby accepts and agrees to perform its obligations hereunder, provided that:

(a) The names and true signatures of each individual authorized to act singly on behalf of Seller and Buyer are stated in Schedule A. Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person who has been designated in Schedule A to give any written instructions, notice or receipt, or make any statements in connection with the provisions hereof has been duly authorized to do so. Buyer and Seller may each remove or add one or more of its authorized signers stated on Schedule A by notifying Escrow Agent of such change in accordance with this Agreement, which notice shall include the true signature for any new authorized signatories. Escrow Agent shall have no duty to make inquiry as to the genuineness, accuracy or validity of any statements or instructions or any signatures on statements or instructions.

(b) The Escrow Agent may act relative hereto in reliance upon advice of counsel in reference to any matter connected herewith. The Escrow Agent shall not be liable for any mistake of fact or error of judgment or law, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence.

(c) In the event of any disagreement between or among Seller and Buyer, or between any of them and any other person, resulting in adverse claims or demands being made to Escrow Agent in connection with the Escrow Account, or in the event that the Escrow Agent, in good faith, be in doubt as to what action it should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, the Escrow Agent shall not become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue so to refrain from acting until (i) the rights of all parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested persons, and the Escrow Agent shall have been notified thereof in writing signed by all such persons. The Escrow Agent shall have the option, after 30 days' notice to Seller and Buyer of its intention to do so, to file an action in interpleader requiring the parties to answer and litigate any claims and rights among themselves. The rights of the Escrow Agent under this paragraph are cumulative of all other rights which it may have by law or otherwise.

(d) In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder, the Escrow Agent shall be entitled to (i) refrain from taking any action other than to keep safely the Escrow Funds until it shall be directed otherwise by a court of competent jurisdiction, or (ii) deliver the Escrow Funds to a court of competent jurisdiction.

(e) The Escrow Agent shall have no duty, responsibility or obligation to interpret or enforce the terms of any agreement other than Escrow Agent's obligations hereunder, and the Escrow Agent shall not be required to make a request that any monies be delivered to the Escrow Account, it being agreed that the sole duties and responsibilities of the Escrow Agent to the extent not prohibited by applicable law shall be (i) to accept checks or other instruments for the payment of money delivered to the Escrow Agent for the Escrow Account and deposit said checks or instruments into the Escrow Account, and (ii) disburse or refrain from disbursing the Escrow Funds as stated herein, provided that the checks or instruments received by the Escrow Agent have been collected and are available for withdrawal.

3. Investment. The Escrow Funds shall be held and invested in a non-interest bearing demand deposit at Signature Bank.

4. Escrow Account Statements and Information. The Escrow Agent agrees to send to the Buyer and/or the Seller a copy of the Escrow Account periodic statement, upon request in accordance with the Escrow Agent's regular practices for providing account statements to its non-escrow clients and to also provide the Buyer and/or Seller, or their designee, upon request other deposit account information, including Account balances, by telephone or by computer communication, to the extent practicable. The Buyer and Seller agree to complete and sign all forms or agreements required by the Escrow Agent for that purpose. The Buyer and Seller each consents to the Escrow Agent's release of such Account information to any of the individuals designated by Buyer or Seller, which designation has been signed in accordance with paragraph 3(a) by any of the persons in Schedule A. Further, the Buyer and Seller have an option to receive e-mail notification of incoming and outgoing wire transfers. If this e-mail notification service is requested and subsequently approved by the Escrow Agent, the Buyer and Seller agrees to provide a valid e-mail address and other information necessary to set-up this service and sign all forms and agreements required for such service. The Buyer and Seller each consents to the Escrow Agent's release of wire transfer information to the designated e-mail address(es). The Escrow Agent's liability for failure to comply with this section shall not exceed the cost of providing such information.

5. Release of Escrow Funds. The Escrow Funds shall be paid by the Escrow Agent in accordance with the instructions, in the form of Exhibit A, attached hereto and made a part hereof, or in form and substance satisfactory to the Escrow Agent, received from Seller and Buyer or in absence of such instructions in accordance with the order of a court of competent jurisdiction. The Escrow Agent shall not be required to pay any uncollected funds or any funds that are not available for withdrawal. The Escrow Agent may act in reliance upon any instructions, court orders, notices, certifications, demands, consents, authorizations, receipts, powers of attorney or other writings delivered to it without being required to determine the authenticity or validity thereof or the correctness of any fact stated therein, the propriety or validity of the service thereof, or the jurisdiction of the court issuing any judgment or order. The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that such person has been properly authorized to do so.

6. Resignation and Termination of the Escrow Agent. The Escrow Agent may resign at any time by giving 30 days' notice of such resignation to Seller and Buyer. Upon providing such notice, the Escrow Agent shall have no further obligation hereunder except to hold the Escrow Funds that it has received as of the date on which it provided the notice of resignation as depository. In such event, the Escrow Agent shall not take any action until Seller and Buyer jointly designates a banking corporation, trust company, attorney or other person as successor escrow agent. Upon receipt of such written instructions signed by Seller and Buyer, the Escrow Agent shall promptly deliver the Escrow Funds, net of any outstanding charges, to such successor escrow agent and shall thereafter have no further obligations hereunder. If such instructions are not received within 30 days following the effective date of such resignation, then the Escrow Agent may deposit the Escrow Funds and any other amounts held by it pursuant to this Agreement with a clerk of a court of competent jurisdiction pending the appointment of a successor escrow agent. In either case provided for in this paragraph, the Escrow Agent shall be relieved of all further obligations and released from all liability thereafter arising with respect to the Escrow Funds.

7. Termination. Seller and Buyer may terminate the appointment of the Escrow Agent hereunder upon a joint written notice to Escrow Agent specifying the date upon which such termination shall take effect. In the event of such termination, Seller and Buyer shall, within 30 days of such notice, jointly appoint a successor escrow agent and the Escrow Agent shall, upon receipt of written instructions signed by both Seller and Buyer, turn over to such successor escrow agent all of the Escrow Funds; provided, however, that if Seller and Buyer fail to appoint a successor escrow agent within such 30-day period, such termination notice shall be null and void and the Escrow Agent shall continue to be bound by all of the provisions hereof. Upon receipt of the Escrow Funds, the successor escrow agent shall become the Escrow Agent hereunder and shall be bound by all of the provisions hereof and the Escrow Agent shall be relieved of all further obligations and released from all liability thereafter arising with respect to the Escrow Funds.

8. Costs, Expenses and Fees. Escrow Agent shall be entitled, for the duties to be performed by it hereunder, to a fee of $4,000.00, which fee shall be paid by Seller and Buyer upon the signing of this Agreement. In addition, Seller and Buyer shall be obligated to reimburse Escrow Agent for all fees, costs and expenses incurred or that becomes due in connection with this Agreement or the Escrow Account, including reasonable attorney’s fees. Neither the modification, cancellation, termination or rescission of this Agreement nor the resignation or termination of the Escrow Agent shall affect the right of Escrow Agent to retain the amount of any fee which has been paid, or to be reimbursed or paid any amount which has been incurred or becomes due, prior to the effective date of any such modification, cancellation, termination, resignation or rescission. If said amounts are not paid within 30 days from the date thy are due or by the date this Agreement terminates, if earlier, then the Escrow Agent may use funds in the Escrow Account to pay said amounts.

9. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if sent by hand-delivery, by facsimile followed by first-class mail, by nationally recognized overnight courier service or by prepaid registered or certified mail, return receipt requested, to the addresses set forth below.

If to Seller:

Patriot Coal Corporation
63 Corporate Center Drive
Scott Depot, WV 25560
Attention: Robert W. Bennett
E-mail: bbennett@patriotcoal.com

with a copy to

Kirkland & Ellis LLP
600 Travis Street, Suite 3300
Houston, TX 7002
Attention: John D. Pitts
Fax No: (713) 835-3601
E-mail: john.pitts@kirkland.com

If to Buyer:

Coronado Mining, LLC
57 Danbury Road, Suite 201
Wilton, CT 06897
Attention: Garold R. Spindler
Fax No.: (203) 761-4953
E-mail: gspindler@coronadocoal.com

with a copy to

Squire Patton Boggs (US) LLP
221 E. Fourth St., Suite 2900
Cincinnati, Ohio 45202
Attention: Stephen D. Lerner
Fax No.: (513) 361-1201
E-mail: stephen.lerner@squirepb.com

If to Escrow Agent:

Signature Bank

565 Fifth Avenue
12th Floor
New York, NY 10017
Attention: Craig Stolow, Associate Group Director and Vice President
Fax No.: (646) 822-1833
E-mail: cstolow@signatureny.com

with a copy to:
Signature Bank
565 Fifth Avenue, 8th Floor
New York, New York 10017
Attention: Legal Department
Fax No.: (646) 758-8188

11. Indemnification: Seller and Buyer, jointly and severally, agree to indemnify and hold the Escrow Agent harmless from and against any and all claims, losses, costs, liabilities, damages, suits, demands, judgments or expenses, including, but not limited to, attorney's fees, costs and disbursements, (collectively "Claims") claimed against or incurred by Escrow Agent arising out of or related, directly or indirectly, to the Escrow Agreement and the Escrow Agent's performance hereunder or in connection herewith, except to the extent such Claims arise from Escrow Agent's willful misconduct or gross negligence as adjudicated by a court of competent jurisdiction.

12. General.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be entirely performed within such State without regard to choice of law principles. The parties hereto irrevocably and unconditionally submit to the jurisdiction of (i) the United States Bankruptcy Court for the Eastern District of Virginia, if brought prior to the entry of a final decree closing the Bankruptcy Case and (ii) the courts of the State of New York, located in the County of New York, or in the case of claims to which the federal courts have subject matter jurisdiction, any federal court of the United States sitting in the Southern District of New York, if brought after entry of such final decree closing the Bankruptcy Case , in connection with any proceedings commenced regarding this Escrow Agreement, including but not limited to, any interpleader proceeding or proceeding for the appointment of a successor escrow agent the Escrow Agent may commence pursuant to this Agreement, and all parties irrevocably submit to the jurisdiction of such courts for the determination of all issues in such proceedings, without regard to any principles of conflicts of laws, and irrevocably waive any objection to venue or inconvenient forum, consents to service of process by mail or in any manner permitted by applicable law and waives all rights to trial by jury in any action, proceeding or counterclaim arising out of the transactions contemplated by this Escrow Agreement. For purposes of this Agreement, "Bankruptcy Case" means the case commenced under Chapter 11 of Title 11 of the United States Code, sections 101 *et. seq.*, styled *In re Patriot Coal Corporation, et al.*, Case No. 15-32450 (KLP) (E.D.Va., filed May 12, 2015).

(b) This Agreement sets forth the entire agreement and understanding of the parties in respect to the matters contained herein and supersedes all prior agreements, arrangements and understandings relating thereto.

(c) All of the terms and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties hereto.

(d) This Agreement may be amended, modified, superseded or canceled, and any of the terms or conditions hereof may be waived, only by a written instrument executed by each party hereto or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver of any party of any condition, or of the breach of any term contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement. No party may assign any rights, duties or obligations hereunder unless all other parties have given their prior written consent.

(e) If any provision included in this Agreement proves to be invalid or unenforceable, it shall not affect the validity of the remaining provisions.

(f) This Agreement and any modification or amendment of this Agreement may be executed in several counterparts or by separate instruments and all of such counterparts and instruments shall constitute one agreement, binding on all of the parties hereto.

13. Form of Signature. The parties hereto agree to accept a facsimile transmission copy of their respective actual signatures as evidence of their actual signatures to this Agreement and any modification or amendment of this Agreement; provided however, that each party who produces a facsimile signature agrees, by the express terms hereof, to place, promptly after transmission of his or her signature by fax, a true and correct original copy of his or her signature in overnight mail to the address of the other party.

14. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the parties and their respective successors and permitted assigns, and no other person has any right, benefit, priority or interest under or because of the existence of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

SELLER: PATRIOT COAL CORPORATION, on behalf of the Sellers and in its capacity as Sellers' Representative

By: _____
Name: Robert W. Bennett
Title: President and CEO

BUYER: CORONADO MINING, LLC

By: _____
Name: Garold R. Spindler
Title: Chief Executive Officer

ESCROW AGENT: SIGNATURE BANK

By: _____
Name: Craig Stolow
Title: Associate Group Director and Vice President

By: _____
Name:

Title:

Exhibit A
Joint Written Instructions to Escrow Agent

[●], 2015

VIA EMAIL
Signature Bank
565 Fifth Avenue
12th Floor
New York, NY 10017
Attention: Craig Stolow, Associate Group Director
and Vice President
Fax No: (646) 822-1833
Email: cstolow@signatureny.com

Dear Craig:

Reference is made to the Escrow Deposit Agreement (the "Escrow Agreement"), dated [l], 2015, by and among Patriot Coal Corporation, a Delaware corporation, on behalf of the Sellers and in its capacity as Sellers' Representative ("Seller"), Coronado Mining, LLC, a Delaware limited liability company ("Seller") and Signature Bank, a New York State chartered bank, as escrow agent (the "Escrow Agent"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Escrow Agreement.

This letter constitutes the instructions from Buyer and Seller pursuant to Paragraph 5 of the Escrow Agreement. Pursuant to such section, Buyer and Seller hereby jointly instruct the Escrow Agent to release from the Escrow Account to _____ an aggregate amount equal to $_____ to the account of _____ set forth below.

Wire Instructions:

Bank:
Address:
ABA #:
Account #:
Account Name:
Reference:

[Remainder of page left intentionally blank]

Regards,

SELLER:

PATRIOT COAL CORPORATION,
a Delaware corporation, on behalf of the Sellers and in its capacity as Sellers' Representative

By: _____
Name: *[●]*
Title: *[●]*

Regards,

BUYER:

CORONADO MINING, LLC

By:_____
Name: [●]
Title: [●]

Schedule A

The Escrow Agent is authorized to accept instructions signed or believed by the Escrow Agent to be signed by any one of the following on behalf of Patriot Coal Corporation ("Seller"), on behalf of the Sellers and in its capacity as Sellers' Representative, and Coronado Mining, LLC ("Buyer").

Patriot Coal Corporation ("Seller")

Name	True Signature
_____	_____
_____	_____

Coronado Mining, LLC ("Buyer")

Name	True Signature
James Campbell	_____
David Hegger	_____

EXHIBIT E

Additional Terms of Confirmation Order

The Confirmation Order, in addition to approving the transactions contemplated by the Asset Purchase Agreement shall include provisions usual and customary for confirmation orders approving transactions of this kind, reflecting the operational and strategic features of the Debtors, including their size, industries, practices and the unique liabilities related thereto, including, without limitation, the following provisions:

1. Sale and transfer free of claims, specifically including provisions providing for the following:

   The vesting of the Debtors' right, title and interest in the Purchased Assets to Coronado Mining, LLC ("Coronado") free and clear of all claims (including, without limitation, all "claims" as defined in section 101(5) of the Bankruptcy Code). Other than the Assumed Liabilities, such Purchased Assets shall specifically be taken free and clear of all liens, claims, (as defined in section 101(5) of the Bankruptcy Code), encumbrances, obligations, liabilities, contractual commitments or interests of any kind or nature whatsoever, whether contingent, unliquidated, unmatured or otherwise, in respect of the Debtors or any property of the Debtors, including, without limitation, any employee, workers' compensation, occupational disease or unemployment or temporary disability related claim, including without limitation, claims that might otherwise arise under or pursuant to:

   a. The Employment Retirement Income Security Act of 1974, Pub. L. No. 93-406, 88 Stat. 829 (1974), as amended
   b. The Fair Labor Standards Act, 29 U.S.C. §§ 201 *et seq*., as amended
   c. Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e §§ *et seq.*, as amended
   d. The Federal Rehabilitation Act of 1973, 29 U.S.C. §§ 701 *et seq*., as amended
   e. The National Labor Relations Act, 29 U.S.C. §§ 151 *et seq*, as amended
   f. The Worker Adjustment and Restraining Act of 1988, 28 U.S.C. §§ 2101 *et seq*.
   g. The Age Discrimination in Employment Act of 1967, 29 U.S.C. §§ 6231 *et seq*., as amended
   h. The Americans with Disabilities Act of 1990, 42 U.S.C. 12101 §§ *et seq*., as amended
   i. The Black Lung Benefits Act and the Kentucky Workers' Compensation Act, §§ 342 *et seq*,
   j. The Consolidated Omnibus Budget Reconciliation Act of 1985, 29 U.S.C. §§ 1161 *et seq.*

k. The Longshoreman's and Harbor Workers' Compensation Act, 33 U.S.C. §§ 901 *et seq*., as amended
l. The Coal Industry Retiree Health Benefit Act of 1992, 26 U.S.C. §§ 9701 *et seq.*
m. State discrimination laws
n. State unemployment compensation laws or any other similar state laws
o. Any other state or federal benefits or claims relating to any employment with any of the Debtors or any of their respective predecessors (including any liabilities for or associated with contributions to the UMWA 1974 Pension Plan, including Patriot's withdrawal liabilities under the plan)

Without limiting the generality of the principles of this section, Coronado shall not assume or be obligated to pay, perform or otherwise discharge any:

a. Workers' compensation debts, obligations, and liabilities of the Debtors arising pursuant to state law or otherwise, including, but without limitation, workers' compensation claims or suits of any type, whether known or unknown, whether incurred or filed, which have occurred or which arise from work-related injuries, diseases, death, exposures, intentional torts, acts of discrimination, any workers' compensation claims filed or to be filed or reopenings of those claims, by or on behalf of any of the Debtors' current or former employees, persons laid-off, inactive or retired status, or their respective dependents, heirs or assigns, as well as any and all premiums, assessments or other obligations of any nature whatsoever of the Debtors relating in any way to workers' compensation liability;
b. Debts, obligations, and liabilities of the Debtors arising pursuant to the Debtors' ownership or operation of the Purchased Assets on or prior to the closing date, including without limitation, under any theory of successor liability;
c. Liability or benefit obligations related to black lung claims and benefits under the Black Lung Benefits Act of 1972, 30 U.S.C. §§ 901 *et seq.*, the Federal Mine Safety and Health Act of 1977, 30 U.S.C. §§ 801 *et seq.*, the Black Lung Benefits Reform Act of 1977, Pub. L. NO. 95-239, 92 Stat. 95 (1978), the Black Lung Benefits Amendments of 1981, Pub. L. No. 97-119, Title 11, 95 Stat. 1643, (1981), in each case, as amended, if applicable, and occupational pneumoconiosis, silicosis, or other lung disease disabilities and benefits arising under federal or state law;
d. Liability or benefit obligations under the Coal Industry Retiree Health Benefit Act of 1922, 26 U.S.C. §§ 9701 *et seq*., and all amendments and revisions thereof; or
e. Liability for or associated with contributions to any pension plan of the Debtors, including, without limitation, the UMWA 1974 Pension Plan, including Patriot's withdrawal liabilities under the plan (collectively, "Pension Plans").

f. Liability for, or associated with, any Employee Benefit Plan (as defined in the Asset Purchase Agreement).

2. No successor liability, including, without limitation:

That Coronado shall not be deemed, as a result of any action taken in connection with the Asset Purchase Agreement or any other Transaction Document, the consummation of the Transactions contemplated by the Asset Purchase Agreement or any other Transaction Document, or the transfer or operation of the Purchased Assets (a) to be a legal successor, or otherwise be deemed a successor to the Debtors; (b) to have, de facto or otherwise, merged with or into the Debtors; (c) to be an alter ego or a continuation of the Debtors; or (d) to have any responsibility for any obligations based on any theory of successor or similar theories of liability, including, without limitation, pursuant to the Black Lung Benefits Act or the Pension Plans.

Without limiting the generality of the foregoing, except as otherwise expressly provided in the Asset Purchase Agreement, Transaction Documents or the Confirmation Order, Coronado shall not be liable for any claims against the Debtors or any of their predecessors or affiliates, and Coronado shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor, employment or benefits law, de facto merger or substantial continuity, whether known or unknown as of the closing, then existing or hereafter arising, whether fixed or contingent, asserted or unasserted, liquidated or unliquidated, with respect to the Debtors or their affiliates or any obligations of the Debtors or their affiliates arising prior to the closing, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the closing.

3. No limitations on Large Scale Surface Mining

That Coronado shall be deemed a "purchaser of any asset (other than stock) of Patriot Coal Corporation or any of its subsidiaries or any of such purchaser's other subsidiaries or affiliates" under paragraph 49 of the Modified Consent Decree and neither Patriot Coal Corporation nor any of its subsidiaries shall be deemed to have ceased to exist for purposes of said paragraph 49, if at all, until after the closing of the sale to Coronado. Accordingly, the limitations on Large Scale Surface Mining, including the provisions of paragraphs 42 through 46 of the

Modified Consent Decree shall not apply to Coronado nor to any acquired mine assets.

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This **FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT** (this "**Amendment**"), dated as of October 2, 2015 (the "**Effective Date**"), is by and among Coronado Mining, LLC, a Delaware limited liability company ("**Buyer**"), Patriot Coal Corporation, a Delaware corporation ("**Patriot**"), the Subsidiaries of Patriot that are set forth on Schedule A to the Purchase Agreement (defined below) (collectively, the "**Patriot Subsidiaries**", and together with Patriot, the "**Sellers**") and Patriot, as Sellers' Representative ("**Sellers' Representative**").

WITNESSETH:

WHEREAS, the Parties are party to that certain Asset Purchase Agreement dated as of September 18, 2015 (the "**Purchase Agreement**"); and

WHEREAS, in accordance with Section 13.03 of the Purchase Agreement, the Parties have determined to amend the Purchase Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Certain capitalized words and phrases used herein and not otherwise defined have the meanings set forth or referenced in the Purchase Agreement.

2. **Amendment.** The Parties hereby agree that the Purchase Agreement shall be amended by deleting "$250,000,000" in Section 2.06 and inserting "$255,000,000" in its place.

3. **Meaning of "Agreement".** The term "**Agreement**" as used in the Purchase Agreement, shall, unless otherwise specified or unless the context otherwise requires, mean and include the Purchase Agreement and this Amendment, together, it being the intent of the Parties that each of the foregoing be applied and construed as a single instrument.

4. **Ratification and Confirmation of the Purchase Agreement.** The Parties do hereby ratify and reaffirm all of the terms and provisions of the Purchase Agreement, which, as amended and supplemented by this Amendment shall remain in full force and effect.

5. **Counterparts.** This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. Until and unless each Party has received a counterpart hereof signed by the other Parties, this Amendment shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

CORONADO MINING, LLC

By: _____
Name: Garold R. Spindler
Title: Chief Executive Officer

PATRIOT COAL CORPORATION, on behalf of the Sellers and in its capacity as Sellers' Representative

By: _____
Name: Robert W. Bennett
Title: President and CEO

EXHIBIT U

West Virginia DEP Term Sheet

TERM SHEET
Settlement Agreement between Patriot Coal Corporation and the West Virginia Department of Environmental Protection

1. On or before the Effective Date of Patriot Coal Corporation's ("**Patriot**") chapter 11 plan (the "**Plan**"), Patriot will deposit $12.5 million with the West Virginia State Treasurer's Office, or in another acceptable collateralized deposit account for the benefit of the West Virginia Department of Environmental Protection ("**DEP**"). Such account is hereinafter referred to as the "**Additional Cash Bond Account**." Such funds, together with any additional funds deposited into the Additional Cash Bond Account in accordance with this Term Sheet and the Settlement Agreement (as hereinafter defined), shall be held as additional cash bond for the ongoing obligations of Patriot and its affiliated Debtors, VCLF[1] and/or the Liquidating Trust (but not Blackhawk (as hereinafter defined) or its affiliates) to meet their environmental obligations in the State of West Virginia, including their obligations to reclaim and to treat water, and shall not be available to or for the use of Patriot, VCLF, or the Liquidating Trust.

2. On or before the Effective Date of Patriot's chapter 11 plan, Blackhawk Mining, LLC ("**Blackhawk**") will enter into a Reclamation Services Agreement with Patriot (assignable to the Liquidating Trust, VCLF, or DEP without further consent of Blackhawk) acceptable to DEP with respect to the provision of no less than $7.5 million in reclamation services over a three-year period beginning on the Effective Date (the "**Reclamation Period**"), with $3.0 million in reclamation services provided during the first year, $3.0 million in reclamation services provided during the second year, and $1.5 million in reclamation services provided during the third year. Any and all agreements or obligations of Blackhawk will be contained in the Reclamation Services Agreement, the intial draft of which will be delivered by Blackhawk. The agreement will provide for Blackhawk's provision of reclamation services with respect to Patriot's non-Blackhawk permits only in the State of West Virginia as directed by the Liquidating Trust or VCLF (in each case with DEP's consultation and consent) or, in the event of revocation of one or more permits and the forfeiture of any related bonds, as directed by DEP. Blackhawk will provide the services at the actual rates paid by Blackhawk to its subcontractor, with no markup or profit to Blackhawk, or for services performed directly by Blackhawk, the

[1] "**VCLF**" shall mean Virginia Conservation Legacy Fund, Inc., or as direct or indirect subsidiary thereof created pursuant to or in connection with the Plan.

market rate for such services, which market rate shall be established by the actual rates of Blackhawk's subcontractor as established by and in accordance with a schedule mutually agreeable to Blackhawk and DEP. Blackhawk will make such services available immediately after consummation of its agreement and will make such services available continuously throughout the Reclamation Period. The Reclamation Services Agreement shall provide that Blackhawk may elect to cease its obligations under this paragraph and the Reclamation Services Agreement by making a cash payment to VCLF or the Liquidating Trust, which funds shall be deposited into a segregated deposit account of VCLF or the Liquidating Trust pledged to DEP (the "**Collateralized Reclamation Account**") in the amount equal to the difference between (x) the agreed $7.5 million in reclamation services and (y) the value of the reclamation services actually performed pursuant to the Reclamation Services Agreement through the date of such election as such value is determined in accordance with the agreed-upon market rate in the Reclamation Services Agreement. Any amounts paid into the Collateralized Reclamation Account by Blackhawk in satisfaction of the Reclamation Services Agreement pursuant to the preceding sentence shall be available to reimburse VCLF or the Liquidating Trust for reclamation and water treatment obligations undertaken by VCLF or the Liquidating Trust with respect to Patriot's non-Blackhawk permits only in the State of West Virginia, with such reimbursement being pursuant to an agreement between VCLF or the Liquidating Trust, on the one hand, and DEP, on the other hand. The Reclamation Services Agreement must provide for Blackhawk's Good Samaritan immunity from liability for the existing conditions on the sites on which reclamation services will be performed provided except in the case of Blackhawk's willful misconduct or gross negligence. Blackhawk will not be deemed a Permittee or Operator, as defined by the West Virginia Surface Coal Mining and Reclamation Act, or to own or control any surface mining and reclamation operations on which it is delivering the reclamation services in connection with its work under the Reclamation Services Agreement, it being understood that Blackhawk may not mine coal incidental to reclamation in the performance of such reclamation services without obtaining a DMM-19. Blackhawk shall not be linked to Patriot, VCLF, the Liquidating Trust or permits held by any of them in the AVS or state law equivalents as a result of its work under the Reclamation Services Agreement.

3. Prior to the Effective Date, Patriot, DEP, VCLF, ERP Federal Mining Complex, LLC ("**ERP Federal**"),[2] and ERP Claims Settlement, LLC ("**ERP Claims**")[3] will enter into an agreement (the "**Collateral Agreement**") providing for (a) the collateral pledge by ERP Federal of the 22.5% of its Free Cash Flow (Implied) (as defined in the ERP Proposed Business Plan dated September 26, 2015 (the "**Business Plan**") allocable to VCLF (the "**VCLF Share of Free Cash Flow**") and (b) the collateral pledge by ERP Claims of the 10% of its Claims Settlements (as defined in the Business Plan) allocable to VCLF (the "**VCLF Share of Claims Settlements**"). Beginning in 2017, ERP Federal shall fund its asset retirement obligations at the Federal mining complex on a straight-line basis over the earlier of (a) six years and (b) the anticipated remaining life of the operations of the Federal mining complex, and the amounts necessary to fund such obligations shall be deducted from Free Cash Flow (Implied). All amounts distributed on account of the VCLF Share of Free Cash Flow and the VCLF Share of Claims Settlements shall be deposited into the Collateralized Reclamation Account. Unless and until (x) VCLF defaults under the Settlement Agreement, the Patriot Reclamation Agreement (as hereinafter defined), or the Consent Order (as hereinafter defined) or (y) DEP shall issue a failure to abate a cessation order with respect to any permit held by VCLF, DEP agrees that VCLF may use the VCLF Share of the Free Cash Flow and the VCLF Share of Claims Settlements in the performance of its reclamation and water treatment obligations only within the State of West Virginia and only in accordance with the Patriot Reclamation Agreement. The Collateral Agreement shall provide that, upon (i) VCLF's default under the Settlement Agreement or the Patriot Reclamation Agreement or (ii) DEP's entry of a failure to abate a cessation order with respect to any permit held by VCLF, neither ERP Federal nor ERP Claims shall make any further distributions to VCLF on account of the VCLF Share of Free Cash Flow or the VCLF Share of Claims Settlements, or on account of VCLF's equity interests in ERP Federal or ERP Claims, and all distributions on account of the VCLF Share of Free Cash Flow, the VCLF Share of Claims Settlements, and VCLF's equity interests in ERP Federal and ERP Claims, shall be paid into the Additional Cash Bond Account and held in accordance with the terms and conditions set forth in paragraph 1 hereof, and DEP shall be entitled to execute upon its collateral pledge of the VCLF Share of Free Cash Flow and VCLF Share of Claims Settlement and all

[2] VCLF has a 22.5% equity interest in EPR Federal.

[3] VCLF has a 10.0% equity interest in ERP Claims.

amounts held in the Collateralized Reclamation Account and transfer such amounts into the Additional Cash Bond Account. On the Effective Date, Patriot will assign the Collateral Agreement to VCLF to the extent necessary. If the transaction is consummated using the Liquidating Trust, Patriot and DEP will enter into an agreement for credit support similar to that described above that would be provided by VCLF, ERP Federal, and ERP Claims, which agreement shall be mutually acceptable to DEP and Patriot.

4. At all times hereafter, Patriot (or the Liquidating Trust or VCLF) shall maintain reclamation bonds with respect to each of the permits it holds in West Virginia in the full amount required, without regard to the amounts held in the Additional Cash Bond Account or the Collateralized Reclamation Account, and shall fully perform its reclamation and water treatment obligations in accordance with the terms of its permits. At all times hereafter, DEP will provide for phased bond releases in accordance with all applicable law and rules, taking into account the terms of any water trust fund established with respect to the permits. The full amount of any proceeds received upon such bond releases shall be deposited into the Collateralized Reclamation Account. Unless and until VCLF (or the Liquidating Trust) defaults under the Settlement Agreement, the Patriot Reclamation Agreement, or the Consent Order or DEP enters a failure to abate a cessation order with respect to any permit, Patriot and VCLF (or the Liquidating Trust) may use the full amount of any proceeds received upon such bond releases deposited in the Collateralized Reclamation Account in the performance in full of its reclamation and water treatment obligations only within the State of West Virginia and only in accordance with the Patriot Reclamation Agreement. Upon a default by Patriot, VCLF or the Liquidating Trust under the Settlement Agreement, the Patriot Reclamation Agreement, or the Consent Order or DEP's entry of a failure to abate a cessation order with respect to any permit held by VCLF (or the Liquidating Trust), DEP shall be entitled to execute upon its collateral pledge of all amounts held in the Collateralized Reclamation Account and transfer such amounts into the Additional Cash Bond Account.

5. Prior to the Effective Date, Patriot will negotiate in good faith and use reasonable best efforts to enter into a "**Patriot Reclamation Agreement**" with DEP, which agreement shall be acceptable to VCLF in the event Patriot proceeds with the VCLF transaction, pursuant to which the parties will establish a detailed reclamation schedule with respect to the West Virginia permits to be assigned to VCLF or the Liquidating Trust and provide for the creation and funding

of a water trust fund on a permit by permit basis in accordance with applicable West Virginia law and rules. The Patriot Reclamation Agreement will provide that Patriot and its assignees may continue to mine coal incidental to reclamation. The Patriot Reclamation Agreement shall be executed between VCLF and DEP, or, if the Patriot Reclamation Agreement is finalized prior to the Effective Date, it shall be executed between Patriot and DEP and assigned by Patriot to VCLF or the Liquidating Trust.

6. As soon as reasonably possible after the execution of the Patriot Reclamation Agreement and the Blackhawk Reclamation Services Agreement, Patriot, VCLF, and Blackhawk will enter into a consent order with DEP (the "**Consent Order**"). The Consent Order will embody the terms of the Patriot Reclamation Agreement, the Blackhawk Reclamation Services Agreement, and applicable terms of the agreement embodied in this term sheet as and to the extent they affect the parties to such Consent Order.

7. On the Effective Date DEP shall immediately, unconditionally and irrevocably release the New Money Lender Entities[4] from any and all claims, liabilities and obligations due to DEP or over which DEP has jurisdiction, in each case arising prior to the Effective Date of the Plan. For avoidance of doubt, such release shall occur without regard to performance of the obligations in this agreement other than the deposit of the initial $12.5 million into the Additional Cash Bond Account. Additionally, on the Effective Date, subject to the performance of the obligations in this agreement, DEP will unconditionally and irrevocably release each of the Debtors' officers, directors and advisors from any and all claims, liabilities and obligations due to DEP or over which DEP has jurisdiction, in each case arising prior to the Effective Date of the Plan.

8. DEP agrees, to the extent allowed by law or rule, not to oppose Patriot, Blackhawk, VCLF, or the Liquidating Trust in their efforts to modify the Selenium consent decree with respect to the extension of the compliance schedule by four years, and shall, to the extent allowed by law or rule, reasonably cooperate in all efforts to manage selenium discharges in a cost efficient manner.

9. To the extent VCLF seeks to use contractors to perform reclamation work under its reclamation plan or permits, Blackhawk shall have a right to match the lowest bid from any

[4] As defined in the September 29th draft of the Plan, but which shall also include the Debtors' DIP Lenders (as defined in the Plan).

third-party contractor for any construction, excavation, and grading work to be contracted by VCLF.

10. Patriot will not abandon any of the West Virginia mining complexes or any related property or permit either prior to the Effective Date or in connection with the consummation of the Plan.

11. VCLF acknowledges that (a) it shall be deemed as an operator or owner and controller under the West Virginia Surface Coal Mining and Reclamation Act with respect to all the West Virginia permits transferred to it and (b) each of its entities to which permits are to be transferred must comply with all applicable laws with respect to such permit transfers.

12. The consummation of this settlement and the timely execution and delivery of all documents required hereunder will be conditions to the effectiveness of the Blackhawk sale transaction and the Plan; provided, however, that the Blackhawk sale transaction may be consummated and the Plan may go effective irrespective of the execution and delivery of all documents hereunder if the Blackhawk Reclamation Services Agreement has been fully executed and delivered and the parties are making reasonable progress toward the execution and delivery of all other documents hereunder. Any party that intends to assert that another party is not making reasonable progress toward the execution and delivery of such other documents hereunder must do so before the Bankruptcy Court for the Eastern District of Virginia (Richmond Division) on or prior to October 20, 2015, and such court shall have jurisdiction to settle or resolve any such disputes.

13. This settlement will be null and void and of no further force and effect in the event that any of the following occur:

a. Patriot proposes confirmation of a chapter 11 plan that does not include the terms and provisions of this agreement;
b. Patriot fails to obtain confirmation of a chapter 11 plan embodying the terms and provisions of this agreement on or before the thirtieth day from the date of this term sheet, unless extended by DEP under its sole discretion;
c. Patriot's chapter 11 cases are converted to cases under chapter 7;
d. The Blackhawk APA is terminated or the Blackhawk transaction does not occur on or before October 23, 2015 unless such date is extended by Blackhawk in its sole discretion;
e. Except with respect to the provisions concerning the Blackhawk sale transaction and plan confirmation in Paragraph 12, any agreement required to document or evidence the understandings and agreements set forth in this

Term Sheet is not completed (in form and substance) to the satisfaction of the Debtors, the DEP, Blackhawk, VCLF, and the DIP Lenders and executed by each party thereto on or prior to October 23, 2015 unless such date is extended by the written consent of each of the Debtors, the DEP, Blackhawk, VCLF and the DIP Lenders;

f. The Effective Date does not occur on or prior to October 23, 2015 unless such date is extended by the written consent of each of the Debtors, the DEP, Blackhawk, VCLF and the DIP Lenders; or
g. One or more of Patriot's lender groups obtains relief from the automatic stay.

14. In the event of (a) the occurrence of any of the events described in paragraph 13 (a)-(g), or (b) the breach of the terms and conditions of this term sheet, or the agreements referred to herein, all Parties shall reserve all of its rights to bring any and all claims, defenses, objections, demands, actions, or proceedings. So long as none of the events in described in paragraph 13 (a)-(g) have occurred and there has been no breach of the terms and conditions of this term sheet, or the agreements referred to herein, DEP will affirmatively support confirmation of the Plan, including the Blackhawk sale transaction.

15. This agreement will be binding upon any trustee appointed under chapter 11 of the Bankruptcy Code.

16. The settlement will be subject to the execution and delivery of a final settlement agreement (the "**Settlement Agreement**") setting forth, among other terms and provisions, the terms and conditions of this term sheet. Parties to the Settlement Agreement will include DEP, Patriot, and Blackhawk and, in the event Patriot, with the consent of DEP, determines to pursue the VCLF Transaction, then VCLF and ERP Compliant Fuels, LLC and its subsidiaries.

Dated: October 5, 2015

PATRIOT COAL CORPORATION

By: _____
Robert W. Bennett
Its President and Chief Executive Officer

BLACKHAWK MINING LLC

By: _____
Name: _____
Title: _____

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: _____
Randy C. Huffman
Its Secretary

VIRGINIA CONSERVATION LEGACY FUND, INC.

By: _____
Name: Thomas M. Clarke
Title: President and CEO

Dated: October 5, 2015

PATRIOT COAL CORPORATION

By: _____
Robert W. Bennett
Its President and Chief Executive Officer

BLACKHAWK MINING LLC

By: _____
Name: NICHOLAS GIANIS
Title: Chairman / President

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: _____
Randy C. Huffman
Its Secretary

VIRGINIA CONSERVATION LEGACY FUND, INC.

By: _____
Name: Thomas M. Clarke
Title: President and CEO

Dated: October 5, 2015

PATRIOT COAL CORPORATION

By: _____
Robert W. Bennett
Its President and Chief Executive Officer

BLACKHAWK MINING LLC

By: _____
Name: _____
Title: _____

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: _____
Randy C. Huffman
Its Secretary

VIRGINIA CONSERVATION LEGACY FUND, INC.

By: _____
Name: Thomas M. Clarke
Title: President and CEO