UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY

In re:	:	**Chapter 11**
	:	
Trinity Coal Corporation, *et al.*,[1]	:	**Case No. 13-50364**
	:	
Debtors.	:	**(Jointly Administered)**

AMENDED AND RESTATED ORDER REGARDING MOTION TO APPOINT AN INTERIM AND PERMANENT CHAPTER 11 TRUSTEE FOR FRASURE CREEK MINING, LLC AND CERTAIN OF ITS AFFILIATES DURING (I) THE "GAP" PERIOD AND (II) ON A PERMANENT BASIS AND PROVIDING FOR THE EMPLOYMENT OF A CHIEF RESTRUCTURING OFFICER

This matter having come before the Court pursuant to the Motion to Appoint an Interim and Permanent Chapter 11 Trustee for Frasure Creek Mining, LLC and Certain of its Affiliates[2] (the "Motion") during (i) the "Gap" Period and (ii) on a Permanent Basis, which Motion was filed on February 19, 2013;

WHEREAS, the above-captioned bankruptcy court (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, venue is proper in this district pursuant to 28

[1] The Debtors in the above-captioned Chapter 11 cases (the "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, are: Trinity Coal Corporation (1163); Trinity Parent Corporation (1080); Trinity RMG Holdings LLC (2840); RMG, Inc. (8388); Trinity Coal Partners LLC (4711); Trinity Coal Marketing LLC (3532); Frasure Creek Mining, LLC (9409); Falcon Resources LLC (7742); Prater Branch Resources LLC (3662); Little Elk Mining Company LLC (0373); Levisa Fork Resources LLC (9407); Bear Fork Resources LLC (7993); North Springs Resources LLC (6323); Deep Water Resources LLC (6594); Banner Coal Terminal LLC (9017); and Hughes Creek Terminal LLC (8285). The address of the principal office for each of the Debtors is 4978 Teays Valley Road, Scott Depot, WV 25560.

[2] Trinity Coal Corporation, a Delaware corporation, is a direct subsidiary of Trinity Parent Corporation, a Delaware corporation. Trinity Coal Corporation is the direct parent of: Trinity RMG Holdings LLC, a Delaware limited liability company; Trinity Coal Partners LLC (f/k/a Generations Fuels Company LLC), a Delaware limited liability company; Trinity Coal Marketing LLC, a Delaware limited liability company; Frasure Creek Mining, LLC (d/b/a Trinity Coal Company), a Kentucky limited liability company; and Falcon Resources LLC, a Delaware limited liability company. Falcon Resources LLC is the direct parent of Prater Branch Resources LLC, a Kentucky limited liability company. Trinity RMG Holdings LLC is the direct parent of RMG, Inc., a West Virginia corporation. Trinity Coal Partners LLC is the direct parent of: Little Elk Mining Company, LLC, a Kentucky limited liability company; Levisa Fork Resources, LLC, a Kentucky limited liability company; Bear Fork Resources, LLC, a Kentucky limited liability company; North Springs Resources, LLC, a West Virginia limited liability company; Deep Water Resources, LLC, a West Virginia limited liability company; Banner Coal Terminal LLC, a Kentucky limited liability company; and Hughes Creek Terminal, LLC, a West Virginia limited liability company. The aforementioned entities shall be collectively referred to herein as "Trinity" or the "Debtors".

U.S.C. §§ 1408 and 1409, this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and notice of the Motion was due and proper under the circumstances; and

WHEREAS, the Court having reviewed the Motion and having heard preliminary argument of Counsel in open Court on February 20, 2013 (the "Preliminary Hearing");

WHEREAS, on March 4, 2013 the Debtors filed a consolidated answer to the Involuntary Petitions and Consent to Entry of Order of Relief (D.E. 79);

WHEREAS, on March 4, 2013 the Court entered an Order of Relief (D.E. 81) for the Debtors;

WHEREAS, prior to the Preliminary Hearing, the Debtors did not have the opportunity to file papers in response to the Motion and the Debtors have reserved all rights with respect to all allegations set forth in the Motion;

WHEREAS, this agreed order (the "Order") resolves the Motion;

WHEREAS, a prior version of the Order was jointly submitted to the Court after the Preliminary Hearing by the moving party (the "Movant"), Crédit Agricole Corporate and Investment Bank ("Crédit Agricole"), through its counsel, and by the Debtors, through their counsel (collectively, with Crédit Agricole, the "Parties"), and a subsequent prior version of the Order was approved by the Court by Order entered March 6, 2013 [D.E. 137] (the "Superseded Order"), all of which Parties consent to the relief contained herein;

WHEREAS, before the hearing on the Superseded Order, held on March 5, 2013, the Board of Directors, Managing Members, or other applicable managing entity (in each case, as the case may be, the "Governing Board(s)") pertaining to the Debtors, properly employed David Stetson pursuant to a written employment agreement (the "CRO Employment Agreement") to

serve as their Chief Restructuring Officer and delegated to him authority and power over the Debtors on terms and conditions that are consistent with the terms of this Order;

WHEREAS, the CRO Employment Agreement was filed in the Chapter 11 Cases on February 28, 2013 [D.E. 48-2];

WHEREAS, a paragraph of the Superseded Order, which pertained to the Surface Mining Control and Reclamation Act of 1977, 30 USC § 1201 et seq. and related matters (the "SMCRA Paragraph"), was objected to by The West Virginia Department of Environmental Protection, and the Superseded Order reserved such objection;

WHEREAS, the Superseded Order provided that parties in interest have fourteen (14) days from the entry of such order to object to the financial terms of the CRO Employment Agreement and the U.S. Trustee filed an objection thereto within such fourteen (14) day period;

WHEREAS, a further hearing on this matter was held on April 2, 2013, at which, among other things, the Debtors' counsel requested the approval of this Order, which does not include the SMCRA Paragraph, and explained that the financial terms of the CRO Employment Agreement have been revised in consultation with, and with the consent of, the U.S. Trustee, the Lenders and the Official Committee of Unsecured Creditors (the "Committee"), which revised financial terms are set forth in an amendment to the CRO Employment Agreement (the "April 2 Amendment") which is hereto attached as "**Exhibit 1**";

IT IS HEREBY ORDERED that upon this Order becoming a final order, the Superseded Order shall be deemed to be superseded by this Order for all purposes and cease to be in further force or effect.

IT IS FURTHER ORDERED that the Motion is deemed to be resolved by agreement of the Parties.

IT IS FURTHER ORDERED that, pending further order of the Court and pursuant to Sections 363 and 1107 of the Bankruptcy Code, the Governing Board(s) shall continue to employ and delegate to David Stetson, as Chief Restructuring Officer ("CRO"), the same powers as a debtor in possession under Sections 1107 and 1108 of the Bankruptcy Code and such other sections of the Bankruptcy Code as applicable to a debtor in possession.

IT IS FURTHER ORDERED that, pending further order of the Court and pursuant to Sections 363 and 1107 of the Bankruptcy Code, the Court authorizes the Governing Board(s) to vest the CRO with the powers to investigate, oversee, manage and direct the acts, conduct, assets, liabilities, and financial condition of the Debtors, the operation of the Debtors' business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan, including, without limitation, exclusive authority to (pursuant to Court approval if and as required by the Bankruptcy Code):

(a) cause the Debtors to negotiate financing, incur debt and grant liens as the CRO deems necessary, desirable or appropriate;

(b) direct and manage the Debtors' operations, including, without limitation, negotiating with significant business partners, contractors and customers of the Debtors, and directing and managing the Debtors in order to comply with law;

(c) cause the Debtors to dispose of estate assets outside the ordinary course of business;

(d) oversee financial management and accountability of the Debtors;

(e) direct the litigation strategy of the Debtors, including the investigation and prosecution, settlement or compromise of all claims and/or causes of action of or against the estate;

(f) formulate, evaluate and implement a restructuring plan and/or liquidation plan, or strategic alternatives on behalf of the Debtors (based upon what the CRO determines to be appropriate under the circumstances) and negotiate with the Debtors' creditors and other stakeholders in connection therewith;

(g) represent the Debtors' interests through counsel, financial advisors and other professionals before the Court;

(h) select and retain professionals and advisors for the Debtors;

(i) take such actions as the CRO deems necessary, desirable or appropriate to protect and preserve the value of the Debtors' assets and business for the benefit of the Debtors' creditors;

(j) cause the Debtors to enter into any contract or agreement, to modify, amend, terminate, reject and/or enforce any of their contractual rights, and to exercise the Debtors' rights under the Debtors' agreements and other agreements in favor of the Debtors;

(k) make all other significant decisions affecting the Debtors or their business, consistent with the requirements of the Bankruptcy Code, and hold the exclusive right to act for, and exercise the rights of, the Governing Board(s), after consultation with such parties as the CRO deems reasonable, necessary and appropriate; and

(l) open new bank accounts for the Debtors, revoke and/or cancel signatory authority over the Debtors' bank accounts, and grant to employees of the Debtors signatory authority over the Debtors' new and existing bank accounts. The banks and other financial institutions where the Debtors have account relationships are authorized and directed to comply with instructions given by the CRO in accordance with this paragraph (l).

IT IS FURTHER ORDERED that the CRO is authorized (in his sole discretion) to (i) retain in place such current operational management and other employees of the Debtors as the

CRO deems appropriate subject to the oversight and direction of the CRO, (ii) terminate the employment of any member of the Debtors' operational management or other employees of the Debtors (in his sole discretion), and (iii) cause the Debtors to hire new employees, pursuant to Court approval if and as required by the Bankruptcy Code.

IT IS FURTHER ORDERED that absent an order of this Court, the Debtors' Governing Board(s) shall not directly or indirectly take any action or cause any action to be taken which would hinder, obstruct or otherwise interfere with the CRO, or any of the estate professionals or employees, in the performance of the rights and powers granted in this Order.

IT IS FURTHER ORDERD that the CRO Employment Agreement as amended by the April 2 Amendment (the "Amended CRO Employment Agreement"), is approved on a final basis pursuant to 11 U.S.C. § 327(b) of the Bankruptcy Code and shall be binding upon the Debtors and their estates without the necessity of any further hearing or order of the Court; *provided*, *however*, that the terms of the CRO's incentive compensation, to be specified and annexed as "**Exhibit A**" to the April 2 Amendment (the "Incentive Compensation"), is not hereby approved but is reserved for further consideration and determination by the Court after the earlier of (1) a hearing on such Incentive Compensation to take place on April 19, 2013, at 9:30 a.m., at the U.S. Bankruptcy Court for the Eastern District of Kentucky, located at 100 East Vine Street, 3rd Floor Courtroom, Lexington, Kentucky 40507, or (2) the Debtors' submission of an agreed order which specifies the terms of the Incentive Compensation (the "Agreed Incentive Compensation Order"), to which the Committee, the U.S. Trustee and the Lenders (as defined in the Motion) have each agreed, in which case all parties in interest shall have fourteen (14) days after the filing of such Agreed Incentive Compensation Order to object to the terms thereof, and if no objection is filed within such fourteen (14) day period, the Agreed Incentive Compensation

Order shall be deemed approved on a final basis pursuant to 11 U.S.C. § 327(b) of the Bankruptcy Code and shall be binding upon the Debtors and their estates without the necessity of any further hearing or order of the Court.

IT IS FURTHER ORDERED that nothing herein shall be deemed consent by Crédit Agricole or any of the Lenders to any commitment to fund or any charge against their collateral under Bankruptcy Code § 506(c) or otherwise or shall be construed as placing Crédit Agricole or any of the Lenders in control of the Debtors.

IT IS FURTHER ORDERED that, subject to any further order of the Court with respect to Incentive Compensation, from and after February 25, 2013, the CRO shall be entitled to receive the compensation, reimbursement of expenses and other benefits as specified in the Amended CRO Employment Agreement.

IT IS FURTHER ORDERED that this Order shall be effective *nunc pro tunc* to February 25, 2013, the effective date of the CRO's employment agreement with the Debtors.

IT IS FURTHER ORDERED that actions taken by the CRO pursuant to the authorizations contained in the Superseded Order, and this Order shall be valid, binding and enforceable acts of the Debtors.

IT IS FURTHER ORDERED that nothing in this Order is intended to excuse the Debtors from their obligations to remain in or to return to compliance with laws in accord with 28 U.S.C. § 959.

IT IS FINALLY ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

AGREED TO:

ATTORNEYS FOR CRÉDIT AGRICOLE
CORPORATE AND INVESTMENT BANK

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EXHIBIT 1

[April 2 Amendment to CRO Employment Agreement]

AMENDMENT TO EMPLOYMENT AGREEMENT

This amendment (the "Amendment") to the Employment Agreement (as defined below) is made and entered into as of April 2, 2013 and is effective as of February 25, 2013 (the " Effective Date"), by and among the **Trinity Coal Corporation**, Trinity Parent Corporation, Trinity RMG Holdings LLC, RMG, Inc., Trinity Coal Partners LLC, Trinity Coal Marketing LLC, Frasure Creek Mining, LLC, Falcon Resources LLC, Prater Branch Resources LLC, Little Elk Mining Company LLC, Levisa Fork Resources LLC, Bear Fork Resources LLC, North Springs Resources LLC, Deep Water Resources LLC, Banner Coal Terminal LLC, and Hughes Creek Terminal LLC (collectively, the "Companies") and **David Stetson** ("CRO")

RECITALS

WHEREAS, on or about February 25, 2013, CRO and the Companies entered into that certain employment agreement (the "Employment Agreement"), a copy of which was filed with the Bankruptcy Court (as defined below) on February 28, 2013 [D.E. 48-2], whereby the Companies agreed to employ CRO, and CRO accepted such employment on the terms and conditions set forth in the Employment Agreement.

WHEREAS, the employment of CRO was subject to approval by the United States Bankruptcy Court for the Eastern District of Kentucky (the "Bankruptcy Court") and was approved by said Court, subject to an Order providing, among other things, that parties in interest shall have 14 days from entry of the Order to object to the financial terms of the Employment Agreement, and reserving for later determination the objection by The West Virginia Department of Environmental Protection to the paragraph thereof which pertained to the Surface Mining Control and Reclamation Act of 1799 30 USC § 1201 et seq. and related matters (the "SMCRA Paragraph").

WHEREAS, the U.S. Trustee objected, within said 14 days, to portions of numerical paragraphs 4 and 8 of the Employment Agreement, and the Companies determined to delete the SMCRA Paragraph from the form of order approving CRO's employment.

WHEREAS, CRO and Companies desire to amend the Employment Agreement by means of this Amendment in order to resolve the objections of the U.S. Trustee and provide CRO with certain protections in light of the removal of the SMCRA Paragraph from the Order of the Bankruptcy Court.

NOW, THEREFORE, in consideration of the premises and of the covenants herein contained, the parties hereto agree as follows:

1. Numerical paragraph 4 of the Employment Agreement shall be replaced in its entirety by the following language:

> 4. Compensation and Benefits.
>
> a. CRO shall be entitled to annual base salary of $300,000 ("Annual Base Salary"), payable in arrears in equal installments over the same pay periods as generally used by

the Companies for their executives, subject to taxes and other applicable withholding obligations; provided, however, that the Annual Base Salary may be reduced in accordance with subparagraph e below.

b. CRO shall be entitled to health insurance for himself and his family, at the highest level currently provided to any officer or employee of any of the Companies, which level may be increased but not decreased over the term of this Agreement, which shall be provided by the Companies or reimbursed to CRO upon presentation of documentation of CRO's actual costs therefor. In addition, the Companies shall reimburse CRO for the cost of his existing disability insurance policy in the amount of up to $1,000 per month upon presentation of documentation of CRO's actual costs therefor.

c. CRO shall be entitled to incentive compensation ("Incentive Compensation") as set forth on Exhibit A, attached hereto.

d. CRO shall be entitled to take five weeks' vacation each year that the Employment Agreement as hereby amended remains in effect.

e. In the event any governmental agency permit-blocks CRO through the Applicant Violator System based upon the acts or omissions of CRO during the performance of his duties hereunder, and if CRO elects to contest such permit-blocking action, the Companies shall pay legal fees and other expenses incurred by CRO in contesting such action, up to a maximum amount of $40,000. In order to assure the payment of such expenses, the Companies shall, within five business days after the entry by the Bankruptcy Court of the order approving this Amendment, deposit the sum of $40,000 into an escrow account administered by a mutually-agreed third party pursuant to the terms of a mutually agreeable escrow agreement.

f. It is contemplated that the parties may agree in the future to additional performance-based incentive bonuses for CRO subject to any necessary notices and approvals.

2. Numerical paragraph 8 of the Employment Agreement shall be replaced in its entirety by the following language:

8. Termination. CRO may terminate the Employment Agreement as hereby amended for any reason upon 60 days' written notice to the Companies and to the Bankruptcy Court. If CRO terminates the Employment Agreement as hereby amended, any compensation and/or reimbursements due and payable to CRO through the date of termination shall become immediately due and payable (with the exception of any Incentive Compensation not yet due and payable because the conditions for payment stated in paragraph 4.c. above have not yet occurred). The Employment Agreement as hereby amended may not be terminated by the Companies except by Order of the Bankruptcy Court. In the event of termination of this Employment Agreement without cause, CRO shall be entitled to immediate payment of any compensation and/or reimbursements due and payable to CRO through the date of termination, including Incentive Compensation then due and owing, and shall be paid any additional Incentive Compensation becoming due and payable within three months after termination of employment at such time as same is due.

3. To the extent necessary and/or appropriate, all references within the Employment Agreement to "this Agreement" shall be deemed to refer to the Employment Agreement as hereby amended.

4. Except as specifically set forth in paragraphs 1, 2 and 3 above, the Employment Agreement remains unmodified, and shall be deemed to be in full force and effect according to its terms, as hereby amended.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the above-stated date.

TRINITY COAL CORPORATION

By: /s/ Michael D. Dean
Its: Chief Accounting Officer

TRINITY PARENT CORPORATION;
TRINITY RMG HOLDINGS LLC;
RMG, INC.;
TRINITY COAL PARTNERS LLC;
TRINITY COAL MARKETING LLC:
FRASURE CREEK MINING, LLC;
FALCON RESOURCES LLC;
PRATER BRANCH RESOURCES LLC;
LITTLE ELK MINING COMPANY LLC;
LEVISA FORK RESOURCES LLC
BEAR FORK RESOURCES LLC;
NORTH SPRINGS RESOURCES LLC;
DEEP WATER RESOURCES LLC;
BANNER COAL TERMINAL LLC; AND
HUGHES CREEK TERMINAL LLC

By: /s/ David Stetson

EXHIBIT A

[Incentive Compensation]

To be submitted at a later time.

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Signed By:
Tracey N. Wise
Bankruptcy Judge
Dated: Wednesday, April 03, 2013 (tnw)
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