IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
BLACKHAWK MINING LLC, *et al.*,[1]	)	Case No. 19-_____ (___)
Debtors.	)	(Joint Administration Requested)

DECLARATION OF JESSE M. PARRISH,
CHIEF FINANCIAL OFFICER OF BLACKHAWK MINING LLC,
IN SUPPORT OF THE CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

I, Jesse M. Parrish, hereby declare under penalty of perjury:

1. I am the Chief Financial Officer of Blackhawk Mining LLC and its affiliated debtors, debtors in possession, and affiliated non-debtors (collectively, "Blackhawk") and have served in this role since May of 2017.

2. As Chief Financial Officer, I am responsible for overseeing Blackhawk's operations and financial activities including, but not limited to, monitoring cash flow, business relationships, workforce issues, and financial planning. As a result of my tenure with Blackhawk, my review of public and non-public documents, and my discussions with other members of Blackhawk's management team, I am generally familiar with Blackhawk's businesses, financial condition, policies and procedures, day-to-day operations, and books and records. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have gained

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Blackhawk Mining LLC (5600); Blackhawk Coal Sales, LLC (9456); Blackhawk Land and Resources, LLC (7839); Blackhawk River Logistics, LLC (3388); Blue Creek Mining, LLC (2427); Blue Diamond Mining, LLC (3488); Eagle Shield, LLC (6721); FCDC Coal, Inc. (6188); Guyandotte Mining, LLC (4882); Hampden Coal, LLC (8241); Kanawha Eagle Mining, LLC (0586); Logan & Kanawha, LLC (3178); Panther Creek Mining, LLC (0627); Pine Branch Land, LLC (9758); Pine Branch Mining, LLC (9681); Pine Branch Resources, LLC (9758); Redhawk Mining, LLC (0852); Rockwell Mining, LLC (3874); Spruce Pine Land Company (2254); Spurlock Mining, LLC (2899); Triad Mining, LLC (7713); and Triad Trucking, LLC (6112). The location of the Debtors' service address in these chapter 11 cases is 3228 Summit Square Place, Suite 180, Lexington, Kentucky 40509.

knowledge of such matters from Blackhawk's employees or retained advisers that report to me in the ordinary course of my responsibilities. I am authorized by each of the above captioned debtors and debtors in possession (collectively, the "Debtors") to submit this declaration on behalf of the Debtors. References to the Bankruptcy Code (as defined herein), the chapter 11 process, and related legal matters are based on my understanding of such in reliance on the explanation provided by, and the advice of, counsel. If called upon to testify, I would testify competently to the facts set forth in this declaration.

3. On the date hereof (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), with the United States Bankruptcy Court for the District of Delaware (the "Court"). To minimize the adverse effects on their business, the Debtors have filed motions and pleadings seeking various types of "first day" relief (collectively, the "First Day Motions"). I submit this declaration to assist the Court and parties in interest in understanding the circumstances compelling the commencement of these chapter 11 cases and in support of the Debtors' chapter 11 petitions and First Day Motions filed contemporaneously herewith.

Preliminary Statement

4. Blackhawk operates a diversified coal mining business that is headquartered in Lexington, Kentucky, with approximately 2,800 employees throughout Kentucky, West Virginia, and Indiana. Blackhawk operates approximately 25 active mines at ten different mining complexes that produce metallurgical and thermal coal. Through a series of acquisitions from distressed coal operators, Blackhawk now controls one of the largest amounts of proven and probable reserves of metallurgical coal in the United States. Blackhawk's operations are strong and efficient, generating approximately $165 million of EBITDA in 2018, and Blackhawk projects strong revenue growth year-over-year as a result of strong market fundamentals. In addition, after

years of elevated capital spend, Blackhawk is positioned to benefit from the reliability and efficiency gains that result from those investments. Blackhawk has approximately $1.09 billion in funded debt as of the Petition Date.

5. Despite strong, efficient operations and a highly competitive market position, Blackhawk is over-leveraged. Recognizing this, Blackhawk has proactively sought to address its balance sheet. Blackhawk also recognized that a traditional restructuring carried the potential for drawn-out litigation between its first lien lenders, second lien lenders, and any unsecured creditors' committee over the potential value of unencumbered assets, as well as potential intercreditor issues. Blackhawk therefore sought to maximize value for its stakeholders by consensually resolving potential issues now, allowing for an expeditious chapter 11 process so that Blackhawk can focus on continuing to improve its business.

6. In February of 2019, Blackhawk engaged with a crossover ad hoc group comprised of certain lenders under both Blackhawk's first and second lien term loan facilities to begin the process of negotiating a consensual restructuring. Over several months, Blackhawk and the crossover group discussed numerous transactions and examined a number of leverage ratios to determine the go-forward capital structure to best position Blackhawk. Blackhawk and its advisors also engaged with a newly-formed first lien lender group in June 2019. Blackhawk, the crossover group, and the first lien group entered into extensive negotiations on the terms of a consensual restructuring. Following these negotiations, Blackhawk agreed on the terms of a comprehensive balance sheet restructuring that will reduce Blackhawk's debt burden, increase liquidity, and send a strong message to Blackhawk's employees, vendors, and other business partners that they are well-positioned for future success.

7. The Debtors commenced these chapter 11 cases to implement this restructuring through a prepackaged plan of reorganization (the "Plan"), a copy of which has been filed contemporaneously herewith. More than 90 percent of the Debtors' first and second lien lenders and more than 80 percent of their equity holders have documented their support for the Plan and the Debtors' chapter 11 cases through a restructuring support agreement (the "RSA"). The RSA is attached hereto as **Exhibit B**.

8. Pursuant to the Plan and RSA, the Debtors will equitize approximately $350 million of first lien debt and approximately $318 million of second lien debt, eliminating a significant portion of Blackhawk's debt load while ensuring the Debtors have enough capital to fund their exit and post-emergence liquidity needs. The Plan further provides the first lien lenders with 71% of the equity in the reorganized Debtors and approximately $225 million of new first lien debt on more company-favorable terms. The second lien lenders, in exchange for equitizing all of the second lien debt, will receive 29% of the equity in the reorganized Debtors. Importantly, the Plan also contemplates that allowed general unsecured claims will remain unimpaired and "ride through" these chapter 11 cases, ensuring that these chapter 11 cases will have a minimal impact on the Debtors' operations and their key business partners.

9. In addition, the Plan provides for the assumption of a consulting services agreement with John Mitchell Potter ("Potter"), Blackhawk's founder, Chief Executive Officer, and Chairman of Blackhawk's Board of Managers, which was entered into as part of the RSA negotiations (the "Consulting Services Agreement"). Pursuant to the Consulting Services Agreement, Potter will, among other things, (a) continue to serve on the Board of Managers of Blackhawk (or Reorganized Blackhawk as applicable), (b) provide consulting services to Blackhawk (or Reorganized Blackhawk as applicable) for a one-year period, (c) cause certain

entities under his control to continue to perform pursuant to certain goods and services contracts, (d) waive any entitlement to severance payments, and (e) otherwise support the restructuring on the terms set forth in the RSA. In exchange for such services, Potter will receive, among other things, negotiated base compensation and a $500,000 cash payment on the Effective Date. This agreement ensures business and leadership continuity as the Debtors work to expeditiously transition into and out of chapter 11 and complete the proposed restructuring transactions with minimal disruption to their operations.

10. Concurrently with these restructuring negotiations, Blackhawk also commenced a marketing process to obtain postpetition financing proposals.[2] After a comprehensive marketing process that included the evaluation of financing proposals from both existing creditors and potential third-party lenders, Blackhawk determined that a DIP ABL Facility (as defined herein) provided by affiliates of the agent and lenders under its prepetition asset-based revolving credit facility, and a DIP Term Facility (as defined below) from prepetition first lien lenders offered the best terms, MidCap Financial Trust and/or one or more of its affiliates ("MidCap") will provide a new $90 million senior secured, super priority debtor-in-possession revolving line of credit (the "DIP ABL Facility") that will roll up the Debtors' existing Prepetition ABL Facility and provide the Debtors' business with liquidity for their ongoing daily business operations during the pendency of these chapter 11 cases. Moreover, to provide the Reorganized Debtors with continued access to revolving credit to fund their operations on a post-emergence basis, MidCap also has agreed to convert the DIP ABL Facility into an exit ABL facility upon the occurrence of the Plan

[2] Further details of the marketing process may be found in the *Declaration of Marc Puntus in Support of the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief*, filed contemporaneously herewith.

effective date and approval of the exit ABL facility by the Bankruptcy Court, subject to finalization of definitive documentation.

11. In addition, the first lien lenders will provide the Debtors with a new super priority first lien debtor-in-possession term loan in the amount of $150 million, inclusive of $50 million in new-money financing and the roll up of $100 million of debt under the first lien term loan facility (the "DIP Term Facility," and, together with the DIP ABL Facility, the "DIP Facilities"). The DIP Term Facility is critical to Blackhawk's ability to pay the administrative costs of these chapter 11 cases, which are rendered unimpaired pursuant to the Plan, and fund certain of the Debtors' operational needs. The Plan contemplates the conversion of the DIP Term Facility into part of the Debtors' new first lien facility. The proposed DIP Facilities are a key component of the carefully negotiated RSA and essential to the successful administration of these chapter 11 cases.

12. With the RSA, Plan, and DIP Facilities in place, Blackhawk and its stakeholders hope to swiftly move through these cases. Indeed, the expedited nature of these chapter 11 cases—together with the expected corresponding lower administrative expenses compared to a longer case—is one of the cornerstones of the compromise with their creditors embodied in the Plan and is fundamental to their continued support. The RSA and DIP Facilities set out the requirements for the creditors' support of the Plan, including key milestones. Contemporaneously herewith, the Debtors filed a scheduling motion that seeks an order setting dates and deadlines in connection with confirmation of the Plan and approval of the related disclosure statement that are consistent with the agreed-to milestones and do not require modification of any statutory notice periods. Specifically, the scheduling motion proposes the following schedule:

Event	Date
Voting Record Date[3]	July 11, 2019
Commence Solicitation	July 15, 2019
Petition Date	July 19, 2019
Voting Deadline	July 26, 2019, at 5:00 p.m., prevailing Eastern Time
Confirmation Hearing Notice Date	One Business Day after entry of an order approving the Scheduling Motion
Initial Plan Supplement Deadline	August 13, 2019, at 5:00 p.m., prevailing Eastern Time, or such other date as the Court may direct
Objection Deadline	August 20, 2019, at 5:00 p.m., prevailing Eastern Time, or such other date as the Court may direct
Reply Deadline	August 26, 2019, at 4:00 p.m., prevailing Eastern Time, or such other date as the Court may direct
Confirmation Hearing	August 28, 2019, or such other date as the Court may direct

13. In sum, the Plan provides the Debtors with a deleveraged capital structure that will allow the Debtors to implement a go-forward business strategy without the overhang of their historical leverage profile and sizeable annual debt service requirements. In addition, the compromises and settlements embodied in the Plan and the negotiated support in the RSA preserve value by enabling the Debtors to avoid extended, value-eroding litigation that could delay the Debtors' emergence from chapter 11. Instead of litigating with first lien lenders, second lien lenders, and unsecured creditors over asserted claims and potential recoveries, a substantial majority of the Debtors' funded debt creditors have agreed to support the Plan and its swift confirmation (including agreeing to the payment in full of all general unsecured creditors, despite having a senior priority), and provide necessary liquidity to fund these cases—each of which

[3] The "Voting Record Date" is the date as of which a holder of record of a claim entitled to vote on the Plan must have held such claim or interest to cast a vote to accept or reject the Plan.

provides significant value to the Debtors and their estates. The Debtors' Plan is a significant achievement and provides a clear path to long-term financial success.

14. To better familiarize the Court with Blackhawk, its business, the circumstances leading up to these chapter 11 cases, and the relief the Debtors are seeking in the First Day Motions, I have organized this declaration into four sections. **Part I** provides background information on Blackhawk's corporate history and operations. **Part II** offers detailed information on Blackhawk's prepetition capital structure. **Part III** describes the circumstances leading to the filing of these chapter 11 cases. **Part IV** summarizes the relief requested in and the legal and factual basis that support the First Day Motions.

Background

I. Blackhawk's History and Operations.

A. Blackhawk's Corporate History.

15. Blackhawk is a privately-owned coal producer that was founded in 2010 by Potter as a strategic vehicle to acquire coal reserves, active mining operations, and logistical infrastructure located primarily in the Central Appalachian Basin ("CAPP") of the United States. Blackhawk was founded when Potter acquired a select group of mining assets known as the Spurlock complex in Floyd County, Kentucky. In 2012, Blackhawk expanded its production further by acquiring a CAPP thermal surface operation known as the Pine Branch complex.

16. At the conclusion of 2013, Blackhawk was a small, niche producer of CAPP thermal coal with approximately 3.5 million tons of annual production. Due to the systemic changes in the market for CAPP thermal coals, Blackhawk knew that diversifying the business across different basins and products was critical for long-term survival. The opportunity for diversification was presented in the chapter 11 cases of a number of large coal producers in the region. First, in 2014, Blackhawk acquired three mining complexes from the bankruptcy of James

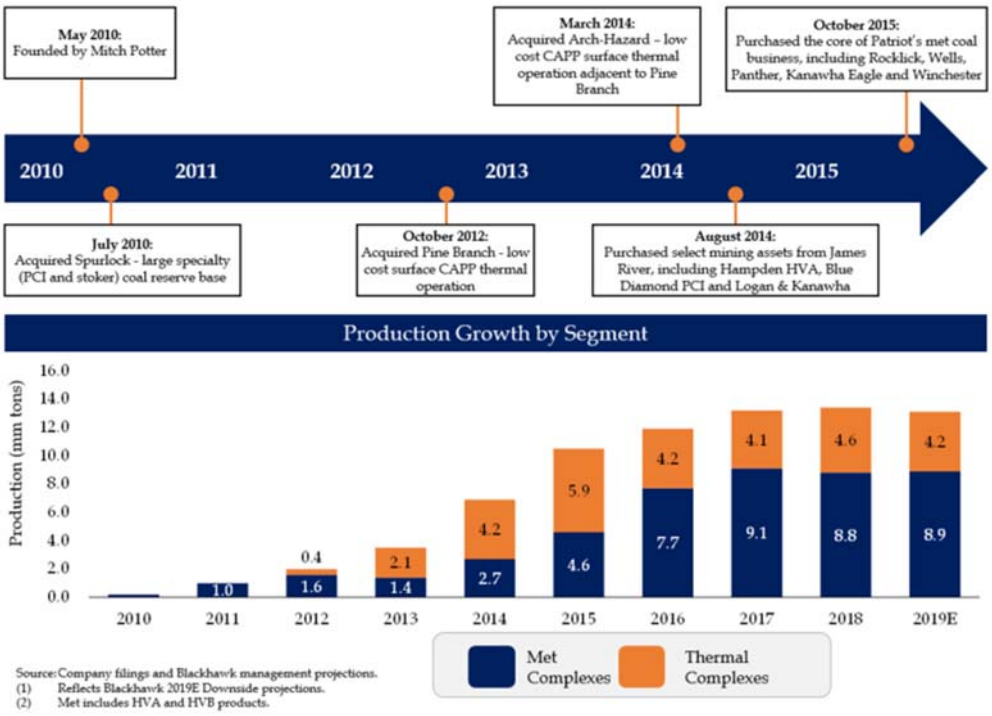
River Coal Company. The Triad complex in southern Indiana gave Blackhawk entry into the Illinois basin thermal markets which, at the time, were one of the only growing markets for thermal coal.[4] Blackhawk also acquired the Blue Diamond and Hampden complexes in eastern Kentucky and West Virginia, respectively. These complexes cemented Blackhawk's position as a leader in pulverized coal injection ("PCI") and stoker coal production and provided an entry into the production of high volatile metallurgical coal.

17. As a result of changing market conditions, Blackhawk shifted its diversification strategy to focus on metallurgical coal, a globally scarce commodity. In 2015, Blackhawk's most significant acquisition occurred through the purchase of six mining complexes during the bankruptcy of Patriot Coal Corporation. These complexes consisted primarily of premier metallurgical coal producing operations and reserves and positioned Blackhawk as a domestic leader in the production and sale of metallurgical coal. By 2018, Blackhawk's annual metallurgical coal production approached 6.9 million tons. Today, Blackhawk is a leading producer of metallurgical coal in the United States.

18. As of the Petition Date, Blackhawk operates 19 active underground and 6 active surface mines at its ten active mining complexes in West Virginia and Kentucky and produces more than 13 million tons of coal per year. Blackhawk's transformation is further illustrated by the following graphic:[5]

[4] Certain sales contracts and reserves associated with the Triad complex were sold in 2016 to meet Blackhawk's liquidity needs while metallurgical markets remained depressed. The Triad complex has remained idled since.

[5] Blackhawk's metallurgical coal complexes produce some thermal and stoker coal byproducts that are included in the segment figures illustrated in the following graphic.



B. Overview of Blackhawk's Assets and Revenues.

19. Blackhawk produces four types of coal: high volatile metallurgical coal, PCI, thermal coal, and stoker coal, with operations predominantly focused on high volatile metallurgical coal. Blackhawk controls 1.37 billion tons of proven and probable coal reserves, with an additional 0.8 billion tons of resources. Over 55 percent, or 0.7 billion tons, of Blackhawk's reserves are associated with its metallurgical coal segment. As illustrated above, in 2018, Blackhawk's metallurgical complexes produced approximately 8.8 million tons of metallurgical coal and 4.6 million tons of thermal coal, generating approximately $1.09 billion in revenue, which resulted in approximately $165 million of EBITDA.

20. Approximately 76 percent of Blackhawk's revenue in 2018 is attributable to its metallurgical coal operations. Metallurgical coal is a globally scarce ingredient that is critical for the production of coke, an integral component for steel production. Coke is mixed with iron ore and other products in a blast furnace to produce steel. Steelmakers in the United States and abroad

blend a variety of metallurgical coal qualities to achieve the required, specific coke chemistry in blast furnaces. Blackhawk also sells PCI and stoker coal, which are specialty coals used in metallurgy and other industrial processes, to the domestic steel industry and a specific group of industrial customers, respectively.

21. Blackhawk is also a producer of thermal coal, which accounted for approximately 24 percent of Blackhawk's revenue in 2018. Thermal coal is principally used by the electric utility industry to produce steam to drive turbines to generate electricity. As a result, the domestic electric utility industry is the principal customer of thermal coal. Blackhawk has longstanding relationships with many of the utility customers in Southeastern United States.

22. A summary of Blackhawk's ten mining complexes and each of their assets is set forth in the following chart:

Complex	Location	Mining Method	Reserves (mm tons)	Resources (mm tons)	Reserve Life (Years)[1]	Products
Blue Diamond	Perry and Knott Counties, Kentucky	Underground	181.5	58.7	142	• PCI • Stoker • Thermal
Hampden	Mingo and Logan Counties, West Virginia	Underground	98.6	39.2	117	• HV A Met • HV B Met
Kanawha Eagle	Boone and Kanawha Counties, West Virginia	Underground	59.5	4.1	36	• HV B Met • Stoker
Rockwell	Boone and Wyoming Counties, West Virginia	Underground, Surface	180.6	116.6	81	• HV A Met • HV B Met • Thermal
Speed	Kanawha County, West Virginia	Underground	69.2	7.4	50	• HV B Met
Spurlock	Floyd County, KY	Underground, Surface	66.9	9.6	87	• PCI • Stoker
Winchester	Boone and Kanawha Counties, West Virginia	Underground	33.6	0.6	5	• HV B Met
Subtotal Met[2]			**689.9**	**236.2**		
Blue Creek	Kanawha County, West Virginia	Underground	67.8	17.1	47	• Thermal
Pine Branch	Perry, Breathitt, Knott and Leslie Counties, Kentucky	Surface	89.6	16.6	55	• Thermal
Samples	Boone and Kanawha Counties, West Virginia	Surface	60.2	13.0	73	• Thermal • Stoker
Subtotal Thermal			**217.6**	**46.7**		
Non-Core & Development[3]	Various	Various	465.6	516.3		• Various
Total	West Virginia, Kentucky		1,373.1	799.2	104	• HV A Met • HV B Met • PCI • Stoker • Thermal

(1) Represents reserves divided by 2019E production.
(2) Subtotal includes thermal reserves at predominantly metallurgical producing complexes.
(3) Includes BLR and Triad.

23. In addition to its key coal assets described above, Blackhawk owns the following non-core assets:

- ***Triad***: Blackhawk owns a mining complex in Southern Indiana known as Triad. The Triad complex contains three idled surface mines and one idled underground mine. In 2016, Blackhawk divested certain contracts and reserves associated with Triad. Blackhawk intends to reexamine potential coal sales opportunities and, depending on market conditions, will determine whether to reopen Triad's operations or permanently divest the remaining assets.

- ***Guffey Reserves***: Blackhawk owns approximately 73 million tons of proven and probable high volatile A metallurgical reserves in northern West Virginia. The reserves are ideal for a profitable greenfield development or would have value for other producers in the region.

C. Overview of Blackhawk's Operations.

24. Blackhawk's dedicated employees form the backbone of its operations. As of the Petition Date, Blackhawk employs approximately 2,800 employees, of which approximately 2,749 are located at Blackhawk's mining complexes and 50 are located at the corporate headquarters in Lexington, Kentucky. Approximately 219 employees are represented by the United Mine Workers Association.

25. To effectively reach customers domestically and abroad, Blackhawk maintains a team of experienced sales and logistics professionals. The sales and logistics team has developed strong industry partnerships over decades of experience that are crucial to Blackhawk's operations and to the success of these chapter 11 cases. Additionally, Blackhawk maintains mutually beneficial partnerships with certain third parties that assist in marketing Blackhawk's coal. Specifically, after Blackhawk acquired its core metallurgical coal portfolio from the Patriot Coal Corporation bankruptcy in 2015, Blackhawk began a strategic partnership with Xcoal Energy & Resources, LLC ("Xcoal"), a leading global supplier of U.S. origin metallurgical coal. As a partner, Xcoal assists Blackhawk in marketing its metallurgical coal to customers in Europe and Asia.

26. Whereas Blackhawk's dedicated employees and strong partnerships help drive performance, Blackhawk's transportation diversity and positioning allow it to maintain a broad customer base and ensure lower costs. Specifically, Blackhawk has the ability to transport coal to its customers via railroad, truck, or barge. In addition, over 75 percent of Blackhawk's metallurgical coal production can be shipped via two separate railroads, providing broad access to domestic steelmakers and multiple East Coast ports for export. In 2018, approximately half of Blackhawk's metallurgical coal was sold outside the United States, primarily to European, South American, and Asian steelmakers.

27. After years of underinvestment from its distressed predecessors, Blackhawk began a recapitalization effort in 2017 to regain efficiency losses that result from aged equipment and infrastructure. Such capital expenditures have included replacing, repairing, or upgrading aging mining equipment, coal preparation, and loading facilities. Blackhawk's investments have begun to bear fruit. For example, based on current projections for fiscal year 2019, Blackhawk's free cash flow per ton of coal sold—a common measure of profitability in the coal industry—has more than quadrupled since 2016. Further, Blackhawk continues to strive for and invest in more efficient operations through similar initiatives, building on its prior success.

II. Corporate Structure and Summary of Prepetition Debt.

28. As a privately held company, Blackhawk is not listed on any public exchange. As of the Petition Date, Blackhawk had approximately 8,750 Class A units, 6,635 Class B units, and 9,108 Class C units outstanding. Generally, holders of Class A units hold voting and economic rights, holders of Class B units hold economic rights but no voting rights, and holders of Class C units only hold voting rights, which are subject to a voting rights agreement with Potter, and the Class C units are subject to expiration upon specified events listed in certain debt documents. Blackhawk's significant equity holders in each class are as follows:

Class	Equity Holder
Class A	JMP Blackhawk, LLC
	JMP Coal Holdings, LLC
	JMP Holdings, LLC
	RWE Trading Americas, Inc.
	Griers Creek Advisors, LLC
Class B	KH PCX Holdings, Inc.
	Caspian BH E LLC
	N3515A BT LLC
	Knighthead Domestic Fund, LP
	CPPIB CII US Holdings (2) Inc.
Class C	SOLA Ltd. Knighthead Master Fund, LP
	Redwood Master Fund Ltd.
	Caspian Select Credit Master
	CQS Global Funds (Ireland) Public Limited Company - CQS Credit Multi Asset Fund

29. As set forth on the structure chart attached hereto as **Exhibit A**, Blackhawk Mining LLC currently owns, directly or indirectly, each of Blackhawk's 28 subsidiaries. Of the wholly-owned entities, 21 entities are obligors of Blackhawk's prepetition funded debt. As of the Petition Date, Blackhawk has approximately $1.09 billion in total funded debt obligations, consisting of: (a) approximately $82 million in aggregate principal amount outstanding under a prepetition ABL facility (the "Prepetition ABL Facility"); (b) approximately $639 million in aggregate principal amount outstanding under a first lien term loan facility (the "First Lien Term Loan Facility"); (c) approximately $318 million in aggregate principal amount outstanding under

a second lien term loan facility (the "Second Lien Term Loan Facility"); (d) approximately $16 million in aggregate principal amount outstanding under an unsecured note related to assets acquired from Patriot Coal Corporation (the "Patriot Unsecured Note"); and (e) approximately $28 million in aggregate principal amount outstanding under various equipment financings (the "Other Secured Debt").

30. The following table summarizes Blackhawk's prepetition capital structure:

Funded Debt	Maturity[6]	Outstanding Principal Amount as of July 19, 2019
Secured Debt		
Prepetition ABL Facility	September 6, 2022	$82 million
First Lien Term Loan Facility	February 17, 2022	$639 million
Second Lien Term Loan Facility	April 27, 2021	$318 million
Equipment Leases	Varies	$28 million
Total Secured Debt		**$1.07 billion**
Unsecured Debt		
Patriot Unsecured Note	October 28, 2021	$16 million
Total Funded Debt		**$1.09 billion**

A. Prepetition ABL Facility.

31. On September 6, 2017, the Debtors entered into the Credit Agreement (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "ABL Credit Agreement"), which governs an asset-based revolving credit facility among certain Debtors, as borrowers and/or guarantors, MidCap as agent and lender, and the additional lenders from time to time party thereto. The Prepetition ABL Facility matures on September 6, 2022. Availability of funds under the Prepetition ABL Facility is capped by the lesser of (i) a borrowing base calculated as the sum of certain percentages of value of the Debtors' eligible

[6] Subject to certain springing maturities, as provided for in the applicable credit agreements.

inventory and eligible accounts receivable and (ii) a commitment equal to $85 million.[7] The obligations arising under the ABL Credit Agreement are secured by (i) senior, first priority security interests in, and liens upon, substantially all of the Debtors' receivables, inventory, as-extracted collateral, deposit, securities, and commodities accounts, items related to each of the foregoing, and the proceeds thereof (collectively, the "ABL Priority Collateral"); and (ii) senior, second priority security interests in, and liens upon, the First Lien Priority Collateral (as defined below) (collectively, the "ABL Collateral"). As of the Petition Date, there is approximately $82 million in aggregate principal amount outstanding under the Prepetition ABL Facility.

B. First Lien Term Loan Facility.

32. On February 17, 2017, Blackhawk entered into the First Lien Term Loan Credit Agreement (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "First Lien Term Loan Agreement"), which governs a $660,000,000 first lien term loan credit facility (the lenders thereunder, the "First Lien Lenders"). Blackhawk's obligations under the First Lien Term Loan Agreement are guaranteed by the other Debtors. On December 15, 2017, Blackhawk entered into an amendment to the First Lien Term Loan Agreement to, among other things, (a) defer the requirement for Blackhawk to make scheduled term loan repayments to certain First Lien Lenders (the "Initial First Lien B-1 Lenders," and the loans in respect thereof, the "Initial First Lien B-1 Loans"), (b) increase the applicable margin with respect to the Initial First Lien B-1 Loans, and (c) provide for the payment of interest-in-kind to the Initial First Lien B-1 Lenders via the deemed borrowing of $35,537,550.00 from the Initial First Lien B-1 Lenders (resulting in additional principal of $35,537,550.00 due at maturity). The

[7] The Prepetition ABL Facility originally contemplated a maximum loan amount of $50 million, which was ultimately increased to $85 million pursuant to an amendment dated October 10, 2018.

First Lien Term Loan Facility matures on February 17, 2022. The obligations arising under the First Lien Term Loan Agreement are secured by (a) senior, first priority security interests in, and liens upon, a substantial portion of the Debtors' equipment, real property, equity interests, intellectual property, intercompany indebtedness, and all other assets and property other than the ABL Priority Collateral (collectively, the "First Lien Priority Collateral") and (b) senior, second priority security interests in, and liens upon, the ABL Priority Collateral. As of the Petition Date, there is approximately $639 million outstanding under the First Lien Term Loan Facility.

C. Second Lien Term Loan Facility.

33. On October 28, 2015, Blackhawk entered into the Second Lien Term Loan Credit Agreement (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Second Lien Term Loan Agreement"), which governs a $229,238,375.55 second lien term loan credit facility (the lenders thereunder, the "Second Lien Lenders"). Blackhawk's obligations under the Second Lien Term Loan Agreement are guaranteed by the other Debtors. On December 15, 2017, Blackhawk entered into the Fourth Amendment to the Second Lien Term Loan Agreement to, among other things, permit Blackhawk to capitalize, compound, and otherwise add to the unpaid principal amount of certain loans under the Second Lien Term Loan Agreement, held by certain Second Lien Lenders, the interest that otherwise would be payable in cash thereon. The Second Lien Term Loan Facility matures on April 27, 2021. The obligations arising under the Second Lien Term Loan Agreement are secured by senior, third priority security interests in, and liens upon (a) the First Lien Priority Collateral, and (b) the ABL Priority Collateral. As of the Petition Date, there is approximately $318 million outstanding under the Second Lien Term Loan Facility.

D. Unsecured Note.

34. On October 28, 2015, Debtor Blackhawk Mining LLC issued the Patriot Unsecured Note to the Patriot Trust. The Patriot Unsecured Note matures on October 28, 2021, and has an aggregate principal amount of $15,000,000. Interest on the Patriot Unsecured Note accrues at a rate of 2.00% per year, which is capitalized and added to the principal amount outstanding on the last business day of March, June, September, and December of each year, and is payable in cash upon maturity. As of the Petition Date, there is approximately $16 million outstanding under the Patriot Unsecured Note. Blackhawk Mining LLC is the only Blackhawk entity obligated under the Patriot Unsecured Note. Blackhawk and the Patriot Trust have reached a settlement of the Patriot Unsecured Note, which is discussed further herein.

E. Other Secured Debt.

35. Certain of the Debtors entered into equipment financing agreements with Caterpillar Financial Services Corporation, 1st Trust Bank, Inc., NEFPASS LLC, Komatsu Financial Limited Partnership, and Mitsubishi UFJ Lease & Finance (U.S.A.) Inc. Certain of the Debtors are required to make payments monthly at varying rates described in the equipment financing agreements. The equipment financing obligations are payable at interest rates between 3.9% and 11.4% with maturity dates ranging from October 2019 through November 2022. As of the Petition Date, there is approximately $28 million outstanding under the equipment financing agreements.

F. Unencumbered Assets.

36. Due to restrictions in certain of Blackhawk's mineral leases, as much as approximately 26% of Blackhawk's mineral reserve assets are unencumbered.

III. Circumstances Leading Up to the Restructuring and Prepetition Restructuring Efforts.

A. Business Investments.

37. As noted above, the Debtors pursued a strategic acquisition strategy starting around 2014 to acquire various metallurgical assets, including those out of large coal bankruptcies, anticipating that the pricing environment in the metallurgical coal market would improve starting in late 2015. In part to effectuate these transactions, the Debtors took on certain debt, and ultimately entered into the First Lien Term Loan Agreement and the Second Lien Term Loan Agreement.

38. Blackhawk's strategic growth proved to be a double-edged sword. On one hand, it significantly increased Blackhawk's position in the metallurgical coal market at a time when asset prices were depressed relative to today's prices. Blackhawk continues to benefit from this position in the current market. The price of high volatile A metallurgical coal has risen from $75 per ton to an average of $188 per ton over the last two years, providing a significant tailwind for Blackhawk. On the other hand, the pricing environment for metallurgical coal did not improve until late 2016, and the debt attendant to Blackhawk's acquisition strategy in 2015 placed a strain on Blackhawk's ability to maintain its then-existing production profile while continuing to reinvest in the business. During this time, to defer expenses, Blackhawk permanently closed over 10 coal mines (with over 5 million tons of productive capacity), idled the Triad complex, and depleted inventories of spare equipment, parts, and components. Furthermore, once the coal markets began to improve, Blackhawk was forced to make elevated capital expenditures and bear unanticipated increases in costs—for example, employment costs rose approximately 25% between 2016 and 2018—to remain competitive. The confluence of these factors eventually made Blackhawk's financial position untenable.

B. 2017 Restructuring.

39. As described above, in 2017, Blackhawk encountered significant cost inflation from tightening labor markets and rising commodity prices. This inflation, coupled with the need to make further capital investments, caused Blackhawk to miss its annual budget. Faced with looming amortization and interest payments on the First Lien Term Loan Facility and Second Lien Term Loan Facility, Blackhawk negotiated an out-of-court consensual restructuring of the First Lien Term Loan Agreement and Second Lien Term Loan Agreement (the "2017 Restructuring"). The 2017 Restructuring included certain participating First Lien Lenders (the "Participating First Lien Lenders")[8] deferring amortization payments for the five quarters beginning in the fourth quarter of 2017 (the "First Lien Deferment") in exchange for (a) increasing the outstanding principal balance owed to the Participating First Lien Lenders by $35.5 million, (b) increasing the interest rate by 50 basis points to Participating First Lien Lenders, and (c) the amendment of certain covenants. Additionally, certain Second Lien Lenders (the "Participating Second Lien Lenders")[9] agreed to defer cash interest payments for the five quarters beginning in the fourth quarter of 2017 (the "Second Lien Deferment," and, together with the First Lien Deferment, the "2017 Deferments") in exchange for, *inter alia*, an 8.5% increase in the interest rate for the deferment period (resulting in a 15% PIK rate to the Participating Second Lien Lenders). Additionally, as part of the 2017 Restructuring, Blackhawk issued its Class C equity units to certain Participating First Lien Lenders and Participating Second Lien Lenders, providing them the right to appoint

[8] The Participating First Lien Lenders held approximately 98% of the outstanding principal amount of the First Lien Term Loans.

[9] The Participating Second Lien Lenders held approximately 89% of the outstanding principal amount of the Second Lien Term Loans.

independent directors pursuant to Blackhawk's limited liability company operating agreement and certain additional voting rights subject to a voting agreement with Potter.

40. After the 2017 Restructuring, Blackhawk pursued further strategic transactions to address its balance sheet issues and rising costs. Blackhawk's strategic efforts included: (a) pursuing a potential merger with, or acquisition by, certain other metallurgical coal mining companies, (b) executing certain liquidity-generating sale-leaseback transactions involving valuable mining equipment, and (c) pursuing divestitures of certain assets Blackhawk considered to be non-core assets. Ultimately, these initiatives were not sufficient (or did not come to fruition with respect to any potential mergers or asset sales) to address Blackhawk's over-leveraged balance sheet.

C. Negotiations Regarding Deleveraging Transaction and RSA.

41. Following the expiration of the 2017 Deferments, in the spring of 2019, Blackhawk was faced with approximately $16 million in mandatory amortization and approximately $20 million in interest payments due under the First Lien Term Loan Facility on March 30, 2019, and April 30, 2019, respectively. Faced with these significant payment obligations and tight capital markets, Blackhawk and its advisors commenced discussions with the crossover group of first and second lien lenders, Potter, and their respective advisors regarding potential transactions that would enable the Debtors to deleverage their balance sheet and address their significant debt service requirements. To facilitate these discussions, on March 29, 2019, Blackhawk and the requisite majority of First Lien Lenders entered into a forbearance agreement with respect to the amortization payment, and MidCap and the requisite majority of Second Lien Lenders entered into separate forbearance agreements to forbear from exercising remedies on account of the cross-default provisions under the applicable prepetition credit agreements. On April 29, 2019, these forbearances agreements were all amended to include the cash interest due under the First

Lien Term Loan Facility and the Second Lien Term Loan Facility. Thereafter, to accommodate ongoing negotiations with the parties to the RSA, the three forbearance agreements were further amended to extend the forbearance period through July 21, 2019, subject to earlier termination in limited circumstances, and to address an additional amortization payment under the First Lien Term Loan Facility.

42. Blackhawk used the time permitted by these forbearance agreements to engage in good-faith, arm's-length negotiations with certain holders of first lien term loan claims and second lien term loan claims (collectively, the "Consenting Term Lenders"), Potter, and certain of Blackhawk's other key stakeholders on the terms of a consensual deleveraging transaction.

43. On July 15, 2019, Blackhawk and the Consenting Term Lenders agreed to the terms of the RSA. The RSA contemplates a balance sheet reorganization that will be implemented through the Plan, and de-lever Blackhawk's balance sheet by over $650 million. Importantly, the RSA includes a fiduciary out with respect to Blackhawk's obligations thereunder.

44. The key terms of the restructuring include:[10]

- each Holder of an Allowed First Lien Term Loan Claim shall receive on the Effective Date, in exchange for such Claim, its Pro Rata share of (1) 71% of the New Common Stock; and (2) $225 million of the New First Lien Loan on the terms and conditions set forth in the New First Lien Loan Documents;
- each Holder of an Allowed Second Lien Term Loan Claim shall receive on the Effective Date, in exchange for such Claim, its Pro Rata share of 29% of the New Common Stock;
- all outstanding and undisputed General Unsecured Claims against the Debtors will be unimpaired and unaffected by the restructuring and will be paid in full in Cash, unless otherwise agreed to by Holders of General Unsecured Claims;
- all holders of Interests in Blackhawk will have the opportunity to accept the Plan in exchange for receiving the benefit of the releases under the Plan;

[10] Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Plan.

- the DIP Lenders will provide the Debtors with debtor-in-possession financing through the DIP ABL Facility and the DIP Term Facility, pursuant to the terms and conditions set forth in the DIP ABL Agreement and the DIP Term Agreement, respectively;

- the DIP ABL Facility will roll up all Claims arising under the Debtors' prepetition ABL Facility as the Debtors borrow and repay the DIP ABL Facility on a daily basis, and MidCap also has agreed to provide an exit ABL facility upon the occurrence of the Plan effective date, subject to finalization of definitive documentation and approvals, and subject to the Debtors' ability to market their exit ABL facility;

- the DIP Term Facility will roll up $100 million of First Lien Term Loan Claims and will raise $50 million through the New Money DIP Loans;

- entry into and assumption of the Consulting Services Agreement with Potter, pursuant to which Potter will, among other things, (1) continue to serve on the Board of Managers of Blackhawk (or Reorganized Blackhawk as applicable), (2) provide consulting services to Blackhawk (or Reorganized Blackhawk as applicable) for a one-year period, (3) cause certain entities under his control to continue to provide the goods and services required under the Potter Group Vendor Contracts, as amended on the terms described in the RSA, (4) waive any entitlement to severance payments, and (5) otherwise support the restructuring on the terms set forth in the RSA, in exchange for a compensation package pursuant to which Potter will receive, among other things, negotiated base compensation and a $500,000 Cash payment (plus reimbursement for his reasonable attorneys' fees incurred in connection with the negotiation and execution of the Potter Consulting Services Agreement up to a maximum of $60,000) on the Effective Date;

- settlement of more than $7 million of accounts payable owed to significant vendors, as contemplated by the RSA, by extending or otherwise modifying the payment terms thereof;

- cancellation of the Patriot Unsecured Note in exchange for (1) a $500,000 distribution to the Patriot Trust, to be made no later than the Effective Date; and (2) amendment of a prior settlement between Blackhawk and the Patriot Trust regarding the treatment of Blackhawk's administrative claim in the Patriot Coal Corporation bankruptcy to reflect that the Patriot Trust will make no payment of any kind to Blackhawk;

- all Administrative Claims, Priority Tax Claims, and Other Secured Claims will be paid in full in Cash or receive such other treatment that renders such Claims unimpaired under the Bankruptcy Code; and

- mutual releases among Blackhawk and the parties to the RSA, among others.

45. As a key component of the RSA, Blackhawk maintained an active dialogue with certain large unsecured creditors. This led to a renegotiation of the Patriot Note that reduced Blackhawk's obligations by more than $15 million, the terms of which are embodied in an agreement between the Debtors and the Patriot Trust, a copy of which is attached hereto as **Exhibit C**. Blackhawk also successfully agreed to settle more than $7 million of accounts payable owed to significant vendors, as contemplated by the RSA, by extending or otherwise modifying the payment terms thereof. The Plan also provides for the settlement of approximately $5.5 million in royalty payments currently in arrears. These agreements are predicated on confirmation of the Plan, and the rights of Blackhawk's counterparties are reserved with respect to their claims if the Plan is not confirmed.

46. To promote expediency in these chapter 11 cases, Blackhawk commenced solicitation of the Plan on July 15, 2019. Further, the parties to the RSA have agreed to meet the following key dates and milestones to ensure a timely emergence from chapter 11: (a) no later than 75 days after the Petition Date, the Court shall have entered an order approving the Disclosure Statement; (b) no later than 75 days after the Petition Date, the Court shall have entered the Confirmation Order; and (c) no later than 14 days after entry of the Confirmation Order, the Plan Effective Date shall have occurred.

47. Blackhawk believes that an expeditious resolution to these chapter 11 cases is necessary to ensure Blackhawk's ability to continue to operate on a go-forward basis. Further, Blackhawk believes that the milestones, in conjunction and consistent with the dates and deadlines set forth in the scheduling motion, appropriately balance the need for the Debtors to swiftly move to emergence with the due process and notice required under the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

D. The Debtors' Need for Liquidity and the Proposed DIP Financing.

48. I, together with other members of Blackhawk's management and its advisors, have analyzed Blackhawk's cash flow and determined that the DIP Facilities would be required to operate Blackhawk's business smoothly on a postpetition basis, including by providing sufficient liquidity to fund the administrative costs of the chapter 11 process. This analysis also included, among other things, assessing the potential acceleration of demands on available liquidity following the commencement of these chapter 11 cases. Blackhawk typically has $2 million to $5 million of cash on hand at any one time and, as of the Petition Date, had a cash balance of approximately $0.5 million. As such, Blackhawk secured the DIP Facilities, as further described in Blackhawk's debtor-in-possession financing motion, filed concurrently with this First Day Declaration. The DIP Facilities' terms provide for approximately $240 million in aggregate financing, which consists of the $90 million DIP ABL Facility (which will roll up the Prepetition ABL Facility on a rolling basis), the $150 million DIP Term Facility (which will roll up $100 million of First Lien Term Loan Claims on a two-to-one basis), and the consensual use of cash collateral.

49. I believe that, together, the DIP Facilities provide access to liquidity, as needed, with minimal disruption, and allow for the continued operation of Blackhawk's business enterprise. As more fully discussed in Blackhawk's cash management motion, Blackhawk's day-to-day operations depend on borrowings under the Prepetition ABL Facility, and it is therefore vital that Blackhawk has continued availability to support that borrowing. Further, the Prepetition ABL Facility contains a complex cash dominion mechanism (as further discussed in the cash management motion filed contemporaneously herewith) that provides an efficient means to collect its accounts receivable and apply those amounts on a daily basis to repay the outstanding obligations under the Prepetition ABL Facility thereby maximizing availability to the Debtors.

Maintaining that mechanism and rolling up the Prepetition ABL Facility into the DIP ABL Facility will avoid the need to replicate the mechanic and allow a smooth transition from the Prepetition ABL Facility to the DIP ABL Facility without requiring redirection of payments or a delay in availability while Blackhawk's accounts receivable are swept into an account to repay the Prepetition ABL Facility. Additionally, the DIP Term Facility is needed to pay for certain operational needs and the administrative costs of these cases. Together, the DIP Facilities will allow Blackhawk to fund the cost of these chapter 11 cases and pay its employees, vendors, and others in Blackhawk's value chain, preventing any disruptions in the flow of production and sales that might otherwise result. Without the DIP Facilities, I believe that substantial value degradation would occur as a result of Blackhawk's inability to continue ordinary course operations, which would not only impact revenue generation, but also risk losing the confidence of critical vendors and customers. Critical vendors may shorten trade terms, causing liquidity constraints, and required capital expenditures would be delayed, negatively impacting operational results. The lack of liquidity ultimately could result in the closure of mines and the loss of good paying jobs for Blackhawk's 2,800 employees. Moreover, the DIP Facilities provide the Debtors with a path forward that, when coupled with the restructuring transactions contemplated by the RSA and Plan, will reduce Blackhawk's annual debt service obligations, freeing up liquidity in the future to meet operational needs.

50. Accordingly, and as detailed further in other declarations in support for the DIP Facilities, I believe that Blackhawk's entry into the DIP Facilities will provide critical liquidity and is in the best interest of Blackhawk's stakeholders and the Debtors' estates.

IV. Evidentiary Support for First Day Motions[11]

51. Contemporaneously herewith, Blackhawk has filed a number of First Day Motions seeking orders granting various forms of relief intended to stabilize Blackhawk's business operations, facilitate the efficient administration of these chapter 11 cases, and expedite a swift and smooth restructuring of the Debtors' balance sheet. The First Day Motions include the following:

- *Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief*;
- *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor, and (II) Granting Related Relief*;
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief*;
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Maintain Existing Business Forms, and (C) Perform Intercompany Transactions, and (II) Granting Related Relief*;
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief*;
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Prepetition and Postpetition Taxes and Fees and (II) Granting Related Relief*;
- *Debtors' Motion for Entry of Interim and Final Orders (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing*

[11] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the respective First Day Motions.

Services, (III) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests, and (IV) Granting Related Relief;

- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (II) Granting Related Relief*;

- *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to (I) Perform Under Existing Coal Sale Contracts in the Ordinary Course of Business, and (II) Enter Into and Perform Under New Coal Sale Contracts in the Ordinary Course of Business, and (III) Granting Related Relief*;

- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Their Insurance Policies and Honor All Obligations in Respect Thereof, (B) Renew, Supplement, and Enter Into New Insurance Policies, (C) Honor the Terms of the Premium Financing Agreements and Pay Premiums Thereunder, and (D) Enter Into New Premium Financing Agreements in the Ordinary Course of Business, and (II) Granting Related Relief*;

- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Continue Their Surety Bond Program and (II) Granting Related Relief*;

- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Accounts Payable Claims in the Ordinary Course of Business, (II) Granting Administrative Expense Priority to All Undisputed Obligations on Account of Outstanding Orders, and (III) Granting Related Relief*; and

- *Debtors' Application for Appointment of Prime Clerk LLC as Claims and Noticing Agent*

52. The First Day Motions seek authority to, among other things, obtain postpetition financing, honor employee-related wages and benefits obligations, pay claims of vendors and suppliers to ensure that the Debtors' business operations are not disrupted by these prepackaged chapter 11 cases, and continue the Debtors' cash management system and other operations in the ordinary course of business with as minimal interruption as possible on account of the commencement of these chapter 11 cases.

53. I am familiar with the content and substance contained in each First Day Motion and believe that the relief sought in each motion (a) is necessary to enable Blackhawk to operate in chapter 11 with minimal disruption or loss of productivity and value, (b) constitutes a critical element in Blackhawk achieving a successful reorganization, and (c) best serves the Debtors' estates and creditors' interests. I have reviewed each of the First Day Motions and the facts set forth therein are true and correct and incorporated herein in their entirety by reference. If asked to testify as to the facts supporting each of the First Day Motions, I would testify to the facts as set forth in such motions.

[*Remainder of page intentionally left blank*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: July 19, 2019

/s/ *Jesse M. Parrish*
Name: Jesse M. Parrish
Title: Chief Financial Officer
Blackhawk Mining LLC

Exhibit A

Corporate Organizational Structure

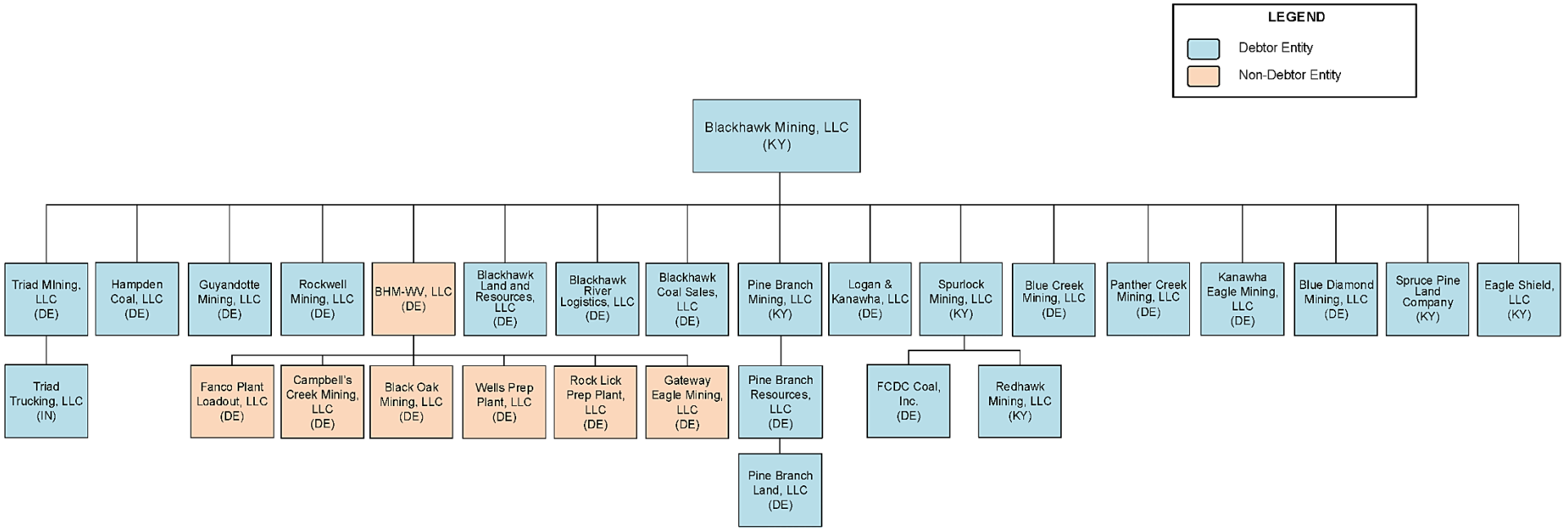

LEGEND
Debtor Entity
Non-Debtor Entity
Blackhawk Mining, LLC (KY)
Triad MIning, LLC (DE)
Hampden Coal, LLC (DE)
Guyandotte Mining, LLC (DE)
Rockwell Mining, LLC (DE)
BHM-WV, LLC (DE)
Blackhawk Land and Resources, LLC (DE)
Blackhawk River Logistics, LLC (DE)
Blackhawk Coal Sales, LLC (DE)
Pine Branch Mining, LLC (KY)
Logan & Kanawha, LLC (DE)
Spurlock Mining, LLC (KY)
Blue Creek Mining, LLC (DE)
Panther Creek Mining, LLC (DE)
Kanawha Eagle Mining, LLC (DE)
Blue Diamond Mining, LLC (DE)
Spruce Pine Land Company (KY)
Eagle Shield, LLC (KY)
Triad Trucking, LLC (IN)
Fanco Plant Loadout, LLC (DE)
Campbell's Creek Mining, LLC (DE)
Black Oak Mining, LLC (DE)
Wells Prep Plant, LLC (DE)
Rock Lick Prep Plant, LLC (DE)
Gateway Eagle Mining, LLC (DE)
Pine Branch Resources, LLC (DE)
FCDC Coal, Inc. (DE)
Redhawk Mining, LLC (KY)
Pine Branch Land, LLC (DE)

Exhibit B

Restructuring Support Agreement

Execution Version

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, and including the exhibits hereto, this "Agreement"), dated as of July 15, 2019, is entered into by and among the following parties (each, a "Party" and, collectively, the "Parties"):

i. Blackhawk Mining LLC, together with certain of their direct and indirect subsidiaries (collectively, the "Company");

ii. the undersigned holders of claims (and together with their respective successors and permitted assigns, the "Consenting First Lien Lenders") under the First Lien Credit Agreement (as defined herein);

iii. the undersigned holders of claims (and together with their respective successors and permitted assigns, the "Consenting Second Lien Lenders") under the Second Lien Credit Agreement (as defined herein); and

iv. John Mitchell Potter ("Potter").

RECITALS

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding certain restructuring transactions (the "Restructuring Transactions") pursuant to the terms and conditions set forth in this Agreement, including a joint prepackaged plan of reorganization for the Company that is consistent with the terms and conditions of the term sheet attached hereto as **Exhibit A** (the "Restructuring Term Sheet")[1] (including all exhibits thereto, and as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms and this Agreement, the "Plan");

WHEREAS, it is anticipated that the Restructuring Transactions will be implemented through jointly administered voluntary cases commenced by the Company (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), pursuant to the Plan, which will be filed by the Company in the Chapter 11 Cases;

WHEREAS, (i) certain Consenting First Lien Lenders or affiliates thereof (in their capacities as such, the "DIP Term Lenders") have committed to provide debtor-in-possession term loan financing (the "DIP Term Financing") and otherwise extend credit to the Company during the pendency of the Chapter 11 Cases and (ii) the Consenting First Lien Lenders and the Consenting Second Lien Lenders have agreed to the Company's use of cash collateral, which DIP Term Financing and use of cash collateral shall be on terms consistent with the term sheet attached

[1] Unless otherwise noted, capitalized terms used but not immediately defined have the meanings given to such terms elsewhere in this Agreement or in the Term Sheets (including any exhibits thereto), as applicable.

hereto as **Exhibit B** (the "DIP Term Sheet") and otherwise pursuant to the DIP Orders and the DIP Term Loan Credit Documents (each as defined herein);

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding certain issues relating to the governance of the Reorganized Company on terms consistent with the term sheet attached hereto as **Exhibit C** (the "Corporate Governance Term Sheet");

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations with the trustee of the PCC Liquidating Trust regarding treatment of that certain Unsecured Promissory Note dated as of October 28, 2015, among the Company as Payor and the PCC Liquidating Trust on terms consistent with the term sheet attached hereto as **Exhibit D** (the "PCC Note Term Sheet" and, collectively with the Restructuring Term Sheet, the DIP Term Sheet, and the Corporate Governance Term Sheet, the "Term Sheets").

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

AGREEMENT

1. **Definitions**. The following terms shall have the following definitions:

"Ad Hoc Crossholder Lender Group" means that certain ad hoc group of First Lien Lenders and Second Lien Lenders consisting of funds and accounts managed or controlled by Knighthead, Solus, and Redwood Capital Management, LLC.

"Ad Hoc First Lien Lender Group" means that certain ad hoc group of First Lien Lenders represented by Shearman & Sterling LLP.

"Ad Hoc Crossholder Lender Group Advisors" means Davis Polk & Wardwell LLP and one additional local counsel as local counsel for the Ad Hoc Crossholder Lender Group.

"Ad Hoc First Lien Lender Group Advisors" means Shearman & Sterling LLP and one additional local counsel as local counsel for the Ad Hoc First Lien Lender Group.

"Agreement" has the meaning set forth in the preamble hereof and includes all of the exhibits attached hereto.

"Agreement Effective Date" means the date upon which this Agreement shall become effective and binding upon each of the Parties pursuant to the terms of Section 2 hereof.

"Alternative Transaction" means any dissolution, winding up, liquidation, reorganization, recapitalization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets (other than in ordinary course sales or sales of *de minimis* assets), financing (debt or equity), plan proposal, or restructuring of the Company, other than the Restructuring Transactions.

"Bankruptcy Code" has the meaning set forth in the recitals hereof.

"Bankruptcy Court" has the meaning set forth in the recitals hereof.

"Chapter 11 Cases" has the meaning set forth in the recitals hereof.

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

"Company Advisors" means, collectively, Kirkland & Ellis LLP, Centerview Partners, and AP Services, LLC.

"Confirmation Order" means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"Consenting First Lien Lenders" has the meaning set forth in the preamble hereof.

"Consenting Second Lien Lenders" has the meaning set forth in the preamble hereof.

"Definitive Documentation" means the definitive documents and agreements governing the Restructuring Transactions, including the documents listed in Section 4 hereof and any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan.

"DIP Term Claims" means claims arising under the DIP Term Credit Documents.

"DIP Term Credit Agreement" means the postpetition debtor-in-possession term loan credit agreement for the DIP Term Financing having the terms and conditions set forth in the DIP Term Sheet.

"DIP Term Credit Documents" means, collectively, the DIP Credit Agreement and the DIP Orders, including any amendments, modifications, supplements thereto, and together with any related notes, certificates, agreements (including the intercreditor agreement setting forth the relative rights and priorities in the DIP Collateral among the DIP Term Lenders and the lenders under the DIP ABL Facility), security agreements, documents, and instruments (including any amendments, restatements, supplements, or modifications of any of the foregoing) related to or executed in connection therewith.

"DIP Term Financing" has the meaning set forth in the recitals hereof.

"DIP Term Lenders" has the meaning set forth in the recitals hereof.

"DIP Term Loan Commitment Parties" means each (i) Consenting First Lien Lender listed on **Exhibit F** hereto or that executes this Agreement after the Agreement Effective Date and before the date of entry of the interim DIP Order and indicates on its signature page that it agrees to be deemed to be added to Exhibit F hereto and (ii) First Lien Lender that is not a Consenting First Lien Lender but that, as set forth in the DIP Term Sheet, enters into a written agreement after the Agreement Effective Date and before the date of entry of the interim DIP Order evidencing its DIP Term Commitment.

"DIP Orders" means, collectively, the interim and final orders authorizing the use of cash collateral and approving the DIP Term Financing and the debtor-in-possession asset based revolving credit agreement, each on terms materially consistent with the DIP Term Sheet.

"DIP Term Sheet" has the meaning set forth in the recitals hereof.

"Disclosure Statement" means the disclosure statement (and all exhibits thereto) with respect to the Plan.

"First Lien Credit Agreement" means that certain First Lien Term Loan Credit Agreement, dated as of February 17, 2017, as amended, restated, modified, or supplemented from time to time in accordance with its terms, by and among Blackhawk Mining LLC, as borrower, each of the guarantors party thereto, Cantor Fitzgerald Securities, as administrative agent, and the First Lien Lenders.

"First Lien Lenders" means the lenders party to the First Lien Credit Agreement.

"First Lien Loan Documents" means, collectively, the First Lien Credit Agreement, security agreement, intercreditor agreement, and any other collateral and ancillary documents, including any forbearance agreements, as amended, restated, modified, or supplemented from time to time in accordance with their terms.

"First Lien Claims" means claims outstanding under the First Lien Loan Documents.

"Forbearance Agreements" mean, collectively, (i) that certain First Lien Term Loan Forbearance Agreement dated as of March 29, 2019, among the Company, the subsidiaries of the Company party thereto, Cantor Fitzgerald as Administrative Agent, and the First Lien Lenders party thereto, as amended on April 29, 2019, May 16, 2019, May 31, 2019, and June 14, 2019, and as may be amended, restated, extended, supplemented, or otherwise modified from time to time in accordance with its terms, and (ii) that certain Second Lien Term Loan Forbearance Agreement dated as of March 29, 2019, among the Company, the subsidiaries of the Company party thereto, Cortland Capital Markets Services LLC as Administrative Agent, and the Second Lien Lenders party thereto, as amended on April 29, 2019, May 16, 2019, May 31, 2019, and June 14, 2019, and as may be amended, restated, extended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Knighthead" means Knighthead Capital Management, LLC.

"Majority Consenting First Lien Lenders" means the Consenting First Lien Lenders who hold, in the aggregate, more than 50% in principal amount outstanding of all First Lien Claims held by Consenting First Lien Lenders.

"Majority Consenting Second Lien Lenders" means the Consenting Second Lien Lenders who hold, in the aggregate, more than 50% in principal amount outstanding of all Second Lien Claims held by Consenting Second Lien Lenders.

"Milestones" means the milestones set forth in the DIP Term Sheet.

"New First Lien Loan" means the New First Lien Loan (as defined in the Restructuring Term Sheet) to be provided to each holder of First Lien Loans under the Plan on account of such holder's First Lien Claim.

"New First Lien Loan Credit Agreement" means the credit agreement for the New First Lien Loan having terms and conditions as set forth in the Restructuring Term Sheet.

"New First Lien Loan Documents" means, collectively, the New First Lien Loan Credit Agreement and any related agreements, documents, and instruments delivered or entered into in connection with the New First Lien Loan, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents related to or executed in connection therewith.

"Party" and "Parties" have the meanings set forth in the preamble hereof.

"Petition Date" means the date the Company commences the Chapter 11 Cases.

"Plan" has the meaning set forth in the recitals hereof.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company with the Bankruptcy Court, and which shall include (a) the Shareholders Agreement and (b) the New First Lien Loan Credit Agreement.

"Potter" has the meaning set forth in the preamble hereof.

"Required Consenting First Lien Lenders" means the Consenting First Lien Lenders who hold, in the aggregate, at least 66.67% in principal amount outstanding of all First Lien Claims held by Consenting First Lien Lenders.

"Required Consenting Second Lien Lenders" means the Consenting Second Lien Lenders who hold, in the aggregate, at least 66.67% in principal amount outstanding of all Second Lien Claims held by Consenting Second Lien Lenders.

"Restructuring Support Parties" means, collectively, the Consenting First Lien Lenders, the Consenting Second Lien Lenders, and Potter, whether in their capacity as a creditor or equityholder of the Company.

"Restructuring Term Sheet" has the meaning set forth in the recitals hereof.

"Restructuring Transactions" has the meaning set forth in the recitals hereof.

"Retention Order" means an order of the Bankruptcy Court, consistent with the engagement letter between the Company and the respective Company Advisor, authorizing the Company to retain and employ the respective Company Advisor.

"Second Lien Credit Agreement" means that certain Second Lien Term Loan Credit Agreement, dated as of October 28, 2015, as amended, restated, modified, or supplemented from

time to time in accordance with its terms, by and among, Blackhawk Mining LLC, as borrower, each of the guarantors party thereto, Cortland Capital Market Services LLC, as administrative agent, in its capacity as administrative agent, and the Second Lien Lenders.

"Second Lien Lenders" means the lenders party to the Second Lien Credit Agreement.

"Second Lien Loan Documents" means, collectively, the Second Lien Credit Agreement and any letter of credit documentation, security agreement, intercreditor agreement, and any other collateral and ancillary documents, including any forbearance agreements, as amended, restated, modified, or supplemented from time to time in accordance with their terms.

"Second Lien Claims" means claims outstanding under the Second Lien Loan Documents.

"Shareholders Agreement" means the stockholders' agreement, or other similar agreement (including, if applicable, an operating agreement or limited liability company agreement), setting forth the rights and obligations of the holders of the equity of the reorganized Company following the effective date of the Plan having the terms and conditions set forth in the Corporate Governance Term Sheet.

"Solicitation Materials" means the ballots and other related materials drafted in connection with the solicitation of acceptances of the Plan.

"Solicitation Order" means the order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation Materials.

"Solus" means Solus Alternative Asset Management LP.

"Term Sheets" has the meaning set forth in the recitals hereof.

"Termination Date" means the date on which termination of this Agreement is effective.

"Transfer" means to sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, in whole or in part, a party's right, title, or interest in respect of any of such party's claims (including First Lien Claims and Second Lien Claims) against, or interests in, the Company, or the deposit of any of such party's claims against or interests in the Company, as applicable, into a voting trust, or the grant of any proxies, or entry into a voting agreement with respect to any such claims or interests.

"Transferor" means the Restructuring Support Party making a Transfer.

"Transferee Joinder" means a transferee joinder substantially in the form attached hereto as **Exhibit E**.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Term Sheets. Unless otherwise specified, references in this Agreement to any Section or clause refer to such Section or clause as contained in this Agreement. The words "herein," "hereof," and "hereunder" and other words of similar import in this Agreement refer to this Agreement as a whole, and not to any particular Section or clause contained in this Agreement. Wherever from

the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter genders. The words "including," "includes," and "include" shall each be deemed to be followed by the words "without limitation". Wherever the consent or the written consent of a Party is required, the other Parties may rely on email correspondence from counsel to such Party.

2. **Agreement Effective Date**. The Agreement Effective Date shall occur immediately upon delivery to the Parties of executed and released signature pages for this Agreement from (a) the Company, (b) Consenting First Lien Lenders holding, in aggregate, at least two-thirds in principal amount of all First Lien Claims, (c) Consenting Second Lien Lenders holding, in aggregate, at least two thirds in principal amount of all Second Lien Claims, and (d) Potter. Upon the Agreement Effective Date, this Agreement shall be deemed effective and thereafter the terms and conditions herein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 30 hereof.

3. **Term Sheets**. The Term Sheets are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the Term Sheets. In the event of any inconsistency between this Agreement (excluding the Term Sheets) and the Term Sheets, the Term Sheets shall govern.

4. **Definitive Documentation**.

(a) The Definitive Documentation shall include:

(i) the Plan;

(ii) the Plan Supplement and the documents contained therein;

(iii) the Confirmation Order;

(iv) the Disclosure Statement, the motion seeking approval of the Disclosure Statement, the Solicitation Materials, and the Solicitation Order;

(v) the DIP Orders, the DIP Term Credit Documents and the debt documents with respect to the DIP ABL Facility;

(vi) the New First Lien Loan Documents and the debt documents with respect to the ABL exit facility that is contemplated by the Term Sheets;

(vii) Shareholders Agreement; and

(viii) organizational documents of the Reorganized Company.

(b) Except as set forth herein, the Definitive Documentation (and any modifications, restatements, supplements, or amendments to any of them)

will, after the Agreement Effective Date, remain subject to negotiation and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent in all respects with the terms of this Agreement and otherwise be in form and substance reasonably satisfactory to each of (i) the Company, (ii) the Required Consenting First Lien Lenders, and (iii) the Required Consenting Second Lien Lenders.

5. **Milestones**. The Company shall implement the Restructuring Transactions in accordance with the Milestones. The Company may extend a Milestone only with the express prior written consent of the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders.

6. **Commitment of the Restructuring Support Parties**. Each Restructuring Support Party shall (severally and not jointly) from the Agreement Effective Date until the occurrence of the Termination Date:

(a) support and take all actions commercially reasonably necessary to support consummation of the Restructuring Transactions in accordance with the terms and conditions of this Agreement, by: (i) when properly solicited to do so, voting all of its claims (including all of its First Lien Claims and all of its Second Lien Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party (or for which such Restructuring Support Party now or hereafter serves as the nominee, investment manager, or advisor for holders thereof) to accept the Plan; (ii) timely returning a duly-executed ballot in connection therewith and using commercially reasonable efforts to return such ballots by July 17, 2019, at 5:00 p.m., prevailing Eastern Time; and (iii) supporting and not "opting out" of any releases under the Plan and affirmatively opting into such releases if required to do so;

(b) not seek, support, or solicit an Alternative Transaction;

(c) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, or vote with respect to the Plan;

(d) use commercially reasonable efforts to support, and not object to, or materially delay or impede, or take any other action to materially interfere, directly or indirectly, with the Restructuring Transactions;

(e) use commercially reasonable efforts to support, and not object to, or materially delay or impede, or take any other action to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of any of the DIP Orders, and shall (a) not propose, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders, (b) not direct the applicable administrative agent under the First Lien Loan or the Second Lien Loan to

propose, file, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders and, to the extent such administrative agent proposes, files, supports or files such a pleading, shall direct such agent to withdraw such proposal, support, or pleading, or (c) not object to, or otherwise take any other action to materially oppose, the granting of any liens under the DIP Orders that prime the prepetition liens securing the First Lien Claims and Second Lien Claims;

(f) not file or support, and not direct the applicable administrative agent under the First Lien Loan or the Second Lien Loan to file or support, any motion or pleading with the Bankruptcy Court that is not materially consistent with this Agreement;

(g) refrain from taking any action, either directly or indirectly, to abandon such Party's interests in the Company or otherwise take any action that could have the effect of causing the Company's other equityholders being allocated items of taxable income, gain, loss, or deduction (including cancellation of indebtedness income) that would have been allocated to such Party (or any successor to such Party) in the absence of any such action;

(h) prevent any entity in which such Party has a direct or indirect interest from taking any action that would violate Section 6(g) hereof;

(i) use good faith efforts to cooperate with the other Restructuring Support Parties to develop Restructuring Transactions that produce a tax-efficient outcome;

(j) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; and

(k) not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of the Retention Orders, authorizing the Company to retain and employ the Company Advisors; or (ii) allowance of any completion, transaction, or success fee (or similar fee) set forth in the respective Company Advisor's engagement letter with the Company so long as such completion, transaction, or success fee (or similar fee) is consistent with the terms of the applicable Company Advisor's Retention Order.

Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Plan by any Restructuring Support Party nor the acceptance of the Plan by any Restructuring Support Party shall (v) be construed as an obligation of any Restructuring Support Party to advance any funds to or purchase any securities of the Company or the Reorganized Company, other than

pursuant and subject to the DIP Term Credit Agreement; (w) be construed to prohibit any Restructuring Support Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising rights or remedies specifically reserved herein; (x) be construed to prohibit or limit any Restructuring Support Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, from the Agreement Effective Date until the occurrence of the Termination Date, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement, are not prohibited by this Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions; (y) limit the ability of a Restructuring Support Party to sell or enter into any transactions in connection with its claims (including all of its First Lien Claims and all of its Second Lien Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party, subject to Section 18 of this Agreement; or (z) require any Restructuring Support Party to take any action prohibited by any intercreditor agreement with respect to the First Lien Credit Agreement or Second Lien Credit Agreement.

7. **DIP Commitments**. Subject to the conditions set forth in the DIP Term Sheet, the DIP Term Loan Commitment Parties, severally and not jointly, agree to provide (or cause any of its designees to provide) their respective shares of the New Money DIP Commitments (as defined in the DIP Term Sheet) on the terms and conditions substantially as set forth in the DIP Term Sheet. For the avoidance of doubt, upon termination or expiration of this Agreement in accordance with its terms, the commitment of the DIP Term Loan Commitment Parties made pursuant to this Section 7 to enter into the DIP Term Credit Agreement and provide their respective shares of the DIP Term Commitments shall terminate; provided, however, that upon the execution of the DIP Term Credit Agreement, the DIP Term Credit Agreement shall govern the New Money DIP Commitments and any termination thereof.

8. **Commitment of Potter**. In addition to the obligations set forth in Section 6 hereof, Potter shall, from the Agreement Effective Date until the occurrence of the Termination Date:

(a) direct any entity which he manages or controls either directly or indirectly to comply with the obligations set forth in Section 6 hereof;

(b) cause certain entities that he manages or controls to continue to satisfy such entity's obligations under the Affiliate Contracts listed on Schedule 1 to the Restructuring Term Sheet; and

(c) until removed by the other members of the Board of Managers at their sole discretion, continue to serve during the pendency of the Chapter 11 Cases on the Board of Managers of those Company entities that Potter served on before the Petition Date; *provided* that, for the avoidance of doubt, this Agreement shall in no way limit Potter's fiduciary duties under applicable law in his capacity as a member of such Board of Managers.

9. **Commitment of the Company**. The Company shall, from the Agreement Effective Date until the occurrence of the Termination Date:

(a) commence the Chapter 11 Cases before the expiration of the Forbearance Agreements;

(b) timely (i) file the motion seeking entry, and seek entry by the Bankruptcy Court of each, of the DIP Orders, (ii) file the Disclosure Statement and the motion seeking entry of the Solicitation Order and seek entry by the Bankruptcy Court of the Solicitation Order, and (iii) file the Plan and seek entry by the Bankruptcy Court of the Confirmation Order;

(c) (i) support and use commercially reasonable efforts to execute and complete the Restructuring Transactions set forth in the Plan and this Agreement and (ii) negotiate in good faith all Definitive Documentation that is subject to negotiation as of the Agreement Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement;

(d) timely file a formal objection to any motion filed with the Bankruptcy Court by a party seeking the entry of an order (i) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), (ii) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of the Chapter 11 Cases;

(e) timely file a formal objection to any motion filed with the Bankruptcy Court by a party seeking the entry of an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable;

(f) timely file (i) a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the First Lien Claims; and (ii) a formal objection to any motion, application or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Second Lien Claims;

(g) timely comply with all Milestones;

(h) to the extent that any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan, negotiate in good faith appropriate additional or alternative provisions to address any such impediment, in consultation with the Required Consenting First Lien Lenders and the Required Consenting Second Lien Lenders;

(i) as soon as reasonably practicable, notify the Consenting First Lien Lenders and the Consenting Second Lien Lenders of any governmental or third party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened) that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan of which the Company Advisors have actual knowledge by furnishing written notice to the Consenting First Lien Lenders and Consenting Second Lien Lenders within two Business Days of actual knowledge of such event;

(j) as soon as reasonably practicable, notify the Consenting First Lien Lenders and Consenting Second Lien Lenders of any material breach by the Company of which the Company Advisors have actual knowledge in respect of any of the obligations, representations, warranties, or covenants set forth in this Agreement by furnishing written notice to the Consenting First Lien Lenders and Consenting Second Lien Lenders within two Business Days of actual knowledge of such breach;

(k) pay in cash (i) prior to the Petition Date, all reasonable and documented fees and expenses accrued prior to the Petition Date for which invoices or receipts are furnished by the (x) Ad Hoc Crossholder Lender Group Advisors, (y) the Ad Hoc First Lien Lender Group Advisors, and (z) one counsel to any First Lien Lender holding at least $150 million in principal amount of First Lien Loans, (ii) after the Petition Date, subject to any applicable orders of the Bankruptcy Court, all reasonable and documented fees and expenses incurred on and after the Petition Date from time to time, but in any event within seven days of delivery to the Company of any applicable invoice or receipt, by the (x) Ad Hoc Crossholder Lender Group Advisors, (y) the Ad Hoc First Lien Lender Group Advisors, and (z) one counsel to any First Lien Lender holding at least $150 million in principal amount of First Lien Loans, and (iii) on the Plan Effective Date, all reasonable and documented fees and expenses incurred by the (x) Ad Hoc Crossholder Lender Group Advisors, (y) Ad Hoc First Lien Lender Group Advisors, and (z) one counsel to any First Lien Lender holding at least $150 million in principal amount of First Lien Loans that are outstanding in connection with the Restructuring Transactions;

(l) provide draft copies of all material pleadings, including "first day" and other motions (excluding retention applications) and any responsive pleadings required to be filed under this Agreement, that the Company intends to file with the Bankruptcy Court in any of the Chapter 11 Cases to counsel to the Ad Hoc Crossholder Lender Group and counsel to the Ad Hoc First Lien Lender Group at least two Business Days (or as soon as is reasonably practicable under the circumstances) prior to the date when the Company intends to file such document, and shall consult in good faith with each such counsel regarding the form and substance of any such proposed filing;

(m) not seek, solicit, or support any Alternative Transaction;

(n) except as expressly contemplated by this Agreement, not engage in material non-ordinary course transaction or make any material non-ordinary course payment, including entry into any new key employee incentive plan or key employee retention plan or similar arrangement, or any new or amended agreement regarding executive compensation without the prior written consent of the Required Consenting First Lien Lenders and Required Consenting Second Lien Lenders; and

(o) as soon as reasonably practicable after the occurrence thereof, notify the Consenting First Lien Lenders and the Consenting Second Lien Lenders if the Company, or any directors, officers, or employees of the Company determines to take or refrain from taking any action, or takes or refrains from taking any action, on the basis of Section 17 hereof;

10. **Consenting First Lien Lenders Termination Events**. The Majority Consenting First Lien Lenders shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 28 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting First Lien Lenders on a prospective or retroactive basis:

(a) the failure to meet any of the Milestones unless such Milestone is extended in accordance with Section 5 of this Agreement, *provided* that, if such failure is the result of any act, omission, or delay on the part of a Consenting First Lien Lender in violation of such Consenting First Lien Lender's obligations under this Agreement, such Consenting First Lien Lender may not be among the Required Consenting First Lien Lenders exercising their termination right with respect thereto under this Section 10(a);

(b) the occurrence of a material breach of this Agreement by (i) the Company, (ii) Potter, or (iii) one or more Consenting Second Lien Lenders holding Second Lien Loans in an aggregate outstanding principal amount such that non-breaching Consenting Second Lien Lenders hold less than 66.7% of the aggregate outstanding principal amount of Second Lien Loans; that has not been cured (if susceptible to cure) before five business days after written notice to the Company in accordance with Section 28(a) hereof of such material breach by the Company or Consenting Second Lien Lender or Lenders, as applicable, asserting such termination;

(c) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(d) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Required Consenting First Lien Lenders;

(e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) notice of an "Event of Default" (as defined in the DIP Term Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Facility or the DIP ABL Facility and has not been waived or timely cured in accordance therewith;

(g) any Definitive Documentation is not consistent in all respects with the terms of this Agreement and otherwise in form and substance reasonably satisfactory to the Required Consenting First Lien Lenders, *provided* that Majority Consenting First Lien Lenders must provide five business days' written notice to the Company in accordance with Section 28(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be consistent in all respects with the terms of this Agreement and otherwise in form and substance reasonably satisfactory to the Required Consenting First Lien Lenders;

(h) the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan;

(i) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided*, *however*, that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Required Consenting First Lien Lenders;

(j) a breach by the Company of any representation, warranty, or covenant of the Company set forth in this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) has not been cured five business days after the receipt by the Company of written notice given in accordance with Section 28(a) with a description of such breach from any of the Required Consenting First Lien Lenders;

(k) the Company files a motion, application, or adversary proceeding (or the Company supports any such motion, application, or adversary proceeding filed or commenced by any third party) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or

subordination of, any portion of the First Lien Claims or asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims; or

(l) the Company, or any directors, officers, or employees of the Company, takes any action or refrains from taking any action on the basis of Section 17 hereof.

11. **Consenting Second Lien Lenders Termination Events**. The Majority Consenting Second Lien Lenders shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 28 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting Second Lien Lenders on a prospective or retroactive basis:

(a) the failure to meet any of the Milestones unless such Milestone is extended in accordance with Section 5 of this Agreement, *provided* that, if such failure is the result of any act, omission, or delay on the part of a Consenting Second Lien Lender in violation of such Consenting Second Lien Lender's obligations under this Agreement, such Consenting Second Lien Lender may not be among the Required Consenting Second Lien Lenders exercising their termination right with respect thereto under this Section 11(a);

(b) the occurrence of a material breach of this Agreement by (i) the Company, (ii) Potter, or (iii) one or more Consenting First Lien Lenders holding First Lien Loans in an aggregate outstanding principal amount such that non-breaching Consenting First Lien Lenders hold less than 66.7% of the aggregate outstanding principal amount of First Lien Loans; that has not been cured (if susceptible to cure) before five business days after written notice to the Company in accordance with Section 28(a) hereof of such material breach by the Company or Consenting First Lien Lender or Lenders, as applicable, asserting such termination;

(c) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(d) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Required Consenting Second Lien Lenders;

(e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(f) notice of an "Event of Default" (as defined in the DIP Term Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Facility or the DIP ABL Facility and has not been waived or timely cured in accordance therewith;

(g) any Definitive Documentation is not consistent in all respects with the terms of this Agreement and otherwise in form and substance reasonably satisfactory to the Required Consenting Second Lien Lenders, *provided* that the Majority Consenting Second Lien Lenders must provide five business days' written notice to the Company in accordance with Section 28(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be consistent in all respects with the terms of this Agreement and otherwise in form and substance reasonably satisfactory to the Required Consenting Second Lien Lenders;

(h) the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan;

(i) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided*, *however*, that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Required Consenting Second Lien Lenders;

(j) a breach by the Company of any representation, warranty, or covenant of the Company set forth in this Agreement that could reasonably be expected to have a material adverse impact on the consummation of the Restructuring Transactions that (to the extent curable) has not been cured five business days after the receipt by the Company of written notice given in accordance with Section 28(a) with a description of such breach from the Required Consenting Second Lien Lenders;

(k) the Company files a motion, application, or adversary proceeding (or the Company supports any such motion, application, or adversary proceeding filed or commenced by any third party) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Second Lien Claims or asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims; or

(l) the Company, or any directors, officers, or employees of the Company, takes any action or refrains from taking any action on the basis of Section 17 hereof.

12. **Potter Termination Events**. Potter shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 28 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by Potter on a prospective or retroactive basis:

(a) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(b) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of Potter;

(c) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(d) the Company (i) amends or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement, (ii) suspends or revokes the Restructuring Transactions, or (iii) publicly announces its intention to take any such action listed in the foregoing provisos (i) and (ii), but, in each case, only to the extent such action can reasonably be expected to have a material adverse impact on the rights of Potter under this Agreement; or

(e) the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan.

13. **The Company's Termination Events**. The Company may, upon notice to the Restructuring Support Parties, terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Company on a prospective or retroactive basis:

(a) a material breach by (i) Consenting First Lien Lenders holding First Lien Loans in an aggregate outstanding principal amount such that non-breaching Consenting First Lien Lenders hold less than 66.7% of the aggregate outstanding principal amount of First Lien Loans, (ii) one or more Consenting Second Lien Lenders holding Second Lien Loans in an aggregate outstanding principal amount such that non-breaching Consenting Second Lien Lenders hold less than 66.7% of the aggregate outstanding principal amount of Second Lien Loans, or (iii) Potter of any representation, warranty, or covenant of such party set forth in this Agreement that (to the extent curable) has not been cured before five

business days after notice to all Restructuring Support Parties given in accordance with Section 28 hereof of such breach;

(b) any of the Definitive Documentation (including any amendment or modification thereof) is filed with the Bankruptcy Court or otherwise finalized, or has become effective, that is not materially consistent with this Agreement or otherwise reasonably satisfactory to the Company, and such inconsistency has not been cured before five business days after notice to all Restructuring Support Parties given in accordance with Section 28 hereof of such breach;

(c) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions; *provided, however*, that the Company has made commercially reasonable, good faith efforts to cure, vacate, or have overruled such ruling or order prior to terminating this Agreement;

(d) upon written notice to each Restructuring Support Party delivered in accordance with Section 28 hereof that the Board of Managers of the Company has determined in good faith, after consultation with outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 17 hereof; or

(e) The Requisite Consenting First Lien Lenders terminate this Agreement in accordance with Section 10 or the Requisite Consenting Second Lien Lenders terminate this Agreement in accordance with Section 11.

Specific performance shall not be available as a remedy if this Agreement is terminated in accordance with Section 13(d) hereof. All Consenting First Lien Lenders and Consenting Second Lien Lenders reserve all rights they may have, including the right (if any) to challenge any exercise by the Company of its fiduciary duties.

14. **Mutual Termination; Automatic Termination; Individual Termination**.

(a) This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among Blackhawk Mining LLC, on behalf of the Company, the Required Consenting First Lien Lenders, and the Required Consenting Second Lien Lenders.

(b) Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the occurrence of the Plan Effective Date.

(c) Any Restructuring Support Party may terminate this Agreement as to itself only, upon written notice to the other Parties in accordance with Section 28,

in the event that (i) this Agreement, including the Term Sheets, or the Definitive Documentation are amended, supplemented, or otherwise modified, or the terms thereunder are waived, without its consent in such a way as to (x) adversely and materially modify the economic treatment contemplated for such Restructuring Support Party in this Agreement, including the Term Sheets, as in effect on the Agreement Effective Date or (y) add any material obligations to the Restructuring Support Party from those contemplated in this Agreement, including the Term Sheets, as in effect on the Agreement Effective Date; provided that such written notice shall be given by the applicable Restructuring Support Party within five (5) Business Days of such waiver, amendment, supplement, or other modification; or (ii) the Plan Effective Date has not occurred within a timeframe consistent with the Milestones.

15. **Automatic Stay**. The Company acknowledges and agrees and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of termination of this Agreement by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the fullest extent permitted by law, the applicability of the automatic stay to the giving of such notice); *provided, however*, that nothing herein shall prejudice any Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

16. **Effect of Termination**. Upon the termination of this Agreement, this Agreement shall be of no further force or effect with respect to any Restructuring Support Party, and each Restructuring Support Party shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement, (b) have the rights and remedies that it would have had, had it not entered into this Agreement, and (c) be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement; provided an individual termination by a Restructuring Support Party pursuant to Section 14(c) shall only terminate this Agreement as to such Restructuring Support Party, and the immediately foregoing clauses (a) – (c) of this Section 16 shall apply to such Restructuring Support Party and this Agreement shall remain in full force and effect as to all other Parties. Any and all consents tendered by any Restructuring Support Party (or the applicable Restructuring Support Party in the case of an individual termination) prior to such termination shall be deemed, for all purposes, to be null and void *ab initio*, shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions, the Plan, and this Agreement or otherwise and such consents may be changed or resubmitted; *provided, however*, that if the approval of the Bankruptcy Court shall be required under applicable law in order for a Restructuring Support Party to change or resubmit such consents, then the Company shall not oppose any attempt by such Restructuring Support Party to terminate, change, or resubmit the consent under this Section 16. The termination of this Agreement shall not relieve or absolve any Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement. Notwithstanding anything to the contrary in this Agreement, the foregoing shall not be construed to prohibit the Company or any Restructuring Support Party from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before the Termination Date. Except as expressly provided

in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right or ability of any Restructuring Support Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any other Restructuring Support Party.

17. **Fiduciary Duties.** Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company, or any directors, officers, or employees of the Company (in such person's capacity as a director, officer, or employee) to take any action, or to refrain from taking any action, to the extent that the Company's board of managers determines in good faith, after consultation with outside counsel, that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; provided, however, that in the event of such determination by the Company's board of managers (to the extent that the Company does not terminate this Agreement in accordance with this Section 17 and Section 13(d) hereof) either or both of the Consenting First Lien Lenders and Consenting Second Lien Lenders may terminate this Agreement in accordance with Section 10 or Section 11 hereof. The Company, in its sole discretion, may (but shall not be required to) terminate this Agreement in accordance with Section 13(d) hereof, and specific performance shall not be available as a remedy if this Agreement is terminated in accordance with this Section 17 and Section 13(d) hereof or Section 10(l) or Section 11(l) hereof. All Consenting First Lien Lenders and Consenting Second Lien Lenders reserve all rights they may have, including the right (if any) to challenge any exercise by the Company of its fiduciary duties.

18. **Transfers of Claims and Interests**. Each Restructuring Support Party shall not make a Transfer, unless such Transfer is to another Restructuring Support Party or any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering to the Company the Transferee Joinder. Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations. Any Transfer made in violation of this Section 18 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the Company and/or any Restructuring Support Party, and shall not create any obligation or liability of the Company or any other Restructuring Support Party to the purported transferee.

19. **Further Acquisition of Claims or Interests**. Except as set forth in Section 18, nothing in this Agreement shall be construed as precluding any Restructuring Support Party or any of its affiliates from acquiring additional DIP Claims, First Lien Claims, Second Lien Claims, or interests in the instruments underlying the DIP Claims, First Lien Claims, or Second Lien Claims; *provided*, *however*, that any such additional DIP Claims, First Lien Claims or Second Lien Claims acquired by any Restructuring Support Party or by any of its affiliates shall automatically be subject to the terms and conditions of this Agreement. Upon any such further acquisition by a Restructuring Support Party or any of its affiliates, such Restructuring Support Party shall promptly notify counsel to the Company.

20. **Consents and Acknowledgments**.

(a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Plan for purposes of sections 1125, 1126, and 1127 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code.

(b) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) consents to the Company's use of its cash collateral and incurrence of debtor-in-possession financing expressly as authorized by, and subject to the terms of, this Agreement and the Definitive Documentation, until the termination of this Agreement as to such Restructuring Support Party.

(c) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) forbears from exercising remedies with respect to any Default or Event of Default as defined under the First Lien Loan Documents and Second Lien Loan Documents, as applicable, that is caused by the Company's entry into this Agreement or the other documents related to this Agreement and the transactions contemplated in this Agreement, and agrees to direct the applicable administrative agent to not exercise remedies to the extent that any other First Lien Lender or Second Lien Lender directs such agent to exercise such remedies.

21. **Representations and Warranties**.

(a) Each Restructuring Support Party hereby represents and warrants on a several and not joint basis for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) to the extent it is a Consenting First Lien Lender or Consenting Second Lien Lender, the execution and delivery by it of this Agreement does not violate its certificates of incorporation, or bylaws, or other organizational documents;

(iv) the execution, delivery, and performance by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, except (i) any of the foregoing as may be necessary and/or required for disclosure by the Securities and Exchange Commission and applicable state securities or "blue sky" laws, (ii) any of the foregoing as may be necessary and/or required in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and confirmation of the Plan, (iii) filings of amended certificates of incorporation or articles of formation or other organizational documents with applicable state authorities, and other registrations, filings, consents, approvals, notices, or other actions that are reasonably necessary to maintain permits, licenses, qualifications, and governmental approvals to carry on the business of the Company, and (iv) any other registrations, filings, consents, approvals, notices, or other actions, the failure of which to make, obtain or take, as applicable, would not be reasonably likely, individually or in the aggregate, to materially delay or materially impair the ability of any Party hereto to consummate the transactions contemplated hereby;

(v) this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, the Disclosure Statement, the Plan, and any other Definitive Documentation, and it has made its own analysis and decision to enter into this Agreement; and

(vii) it (A) either (1) is the sole owner of the claims and interests identified below its name on its signature page hereof and in the amounts set forth therein, or (2) has all necessary investment or voting discretion with respect to the principal amount of claims and interests identified below its name on its signature page hereof, and has the power and authority to bind the owner(s) of such claims and interests to the terms of this Agreement; (B) is entitled (for its own accounts or for the accounts of such other owners) to all of the rights and economic benefits of such claims and interests; and (C) to the knowledge of the individuals working on the Restructuring

Transactions, does not directly or indirectly own any First Lien Claims or Second Lien Claims, other than as identified below its name on its signature page hereof.

(b) Each Company entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than each Company entity) that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including approval of each of the independent directors of each of the corporate entities that comprise the Company;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Company undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution and delivery by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory bodies required in connection with implementation of the Restructuring Transactions;

(v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability; and

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

22. **Relationship Among Parties**. Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint; (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company, the Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended, and no action taken by any Party pursuant to this Agreement shall be deemed to create a presumption that the Parties are, in any way, acting as a "group"; and (v) none of the Restructuring Support Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, the Company or any of the Company's other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated hereby.

23. **Remedies**. It is understood and agreed by the Parties that money damages may be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder, *provided* specific performance shall not be an available remedy against the Company if the Company terminates this Agreement in accordance with, and subject to, Section 13(d) hereof. The Parties agree that such relief will be their only remedy against the applicable breaching Party or Parties with respect to any such breach, and that in no event will any Party be liable for monetary damages under or in connection with this Agreement.

24. **Governing Law & Jurisdiction**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, may be brought in the United States District Court for the Southern District of New York, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party

agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

25. **Waiver of Right to Trial by Jury**. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

26. **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives.

27. **No Third-Party Beneficiaries**. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

28. **Notices**. All notices (including any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to the Company:

Blackhawk Mining, LLC
3228 Summit Square Place
Suite 180
Lexington, Kentucky 40509
Attn: Jesse Parrish
Email: jparrish@blackhawkmining.com

With a copy to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Stephen E. Hessler, P.C.
Derek Hunter
Email: stephen.hessler@kirkland.com
derek.hunter@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Ross M. Kwasteniet, P.C.
Joseph M. Graham
Christopher Hayes
Email: ross.kwasteniet@kirkland.com
joe.graham@kirkland.com
christopher.hayes@kirkland.com

(b) If to the Ad Hoc Crossholder Lender Group:

To each member of the Ad Hoc Crosshholder Lender Group at the addresses or e-mail addresses set forth below each such member's signature page to this Agreement (or to the signature page to a Joinder Agreement as the case may be).

With a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Brian M. Resnick
Dylan Consla
Daniel Meyer
Email: brian.resnick@davispolk.com
dylan.consla@davispolk.com
daniel.meyer@davispolk.com

(c) If to the Ad Hoc First Lien Lender Group:

To each member of the Ad Hoc First Lien Lender Group at the addresses or e-mail addresses set forth below each such member's signature page to this Agreement (or to the signature page to a Joinder Agreement as the case may be).

With a copy to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
Attn: Fredric Sosnick
Ned. S. Schodek
Email: fsosnick@shearman.com

ned.schodek@shearman.com

(d) If to John Mitchell Potter:

Blackhawk Mining, LLC
3228 Summit Square Place
Lexington, Kentucky 40509
Attn: Mitch Potter
Email: mpotter@blackhawkmining.com

With a copy to:

Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
Attn: William M. Lear Jr.
Adam M. Back
Email: william.lear@skofirm.com
adam.back@skofirm.com

29. **Entire Agreement**. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement, other than, for the avoidance of doubt, the Forbearance Agreements.

30. **Amendments**. Except as otherwise provided herein, this Agreement (including the Term Sheets) may not be modified, amended, or supplemented without the prior written consent of the Company, the Required Consenting First Lien Lenders, the Required Consenting Second Lien Lenders, and, solely to the extent that such modification, amendment, or supplement has an adverse effect on Potter, Potter, *provided, however*, that any modification, amendment, supplement or change to (a) the definition of Required Consenting First Lien Lenders or the threshold of Consenting First Lien Lenders set forth in Section 10 shall also require the written consent of each Consenting First Lien Lender, (b) the definition of Required Consenting Second Lien Lenders or the threshold of Consenting Second Lien Lenders set forth in Section 11 shall also require the written consent of each Consenting Second Lien Lender, (c) this Section 30 shall require the written consent of the Company, each Consenting First Lien Lender, each Consenting Second Lien Lender, and Potter, (d) this Agreement that treats or affects any Consenting First Lien Lender or Consenting Second Lien Lender in a manner that is disproportionally adverse, on an economic or non-economic basis, to the treatment of other First Lien Claims or Second Lien Claims, as applicable, shall also require the written consent of such Consenting First Lien Lender or Consenting Second Lien Lender, as applicable, or (e) the Corporate Governance Term Sheet that materially and adversely affects the rights or economic terms provided to a Consenting First Lien Lender or Consenting Second Lien Lender shall also require the written consent of such Consenting First Lien Lender or Consenting Second Lien Lender.

31. **Reservation of Rights**. Subject to and except as expressly provided in this Agreement or in any amendment thereof agreed upon by the Parties pursuant to the terms hereof, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. Without limiting the foregoing sentence in any way, if the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, nothing in this Agreement shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses, and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. This Agreement shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

32. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

33. **Disclosures**. The Company shall use commercially reasonable efforts to submit drafts to the Ad Hoc Crossholder Lender Group Advisors and the Ad Hoc First Lien Lender Group Advisors of any press releases and public documents that constitute the disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least two Business Days or as soon as reasonably practicable prior to making any such disclosure, and the Company shall consult with the Ad Hoc Crossholder Lender Group Advisors and the Ad Hoc First Lien Lender Group Advisors in good faith regarding the form and substance of such disclosure(s). This Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among any of the Parties as of the date hereof (including any such provisions in the First Lien Loan Documents and the Second Lien Loan Documents); *provided, however*, that (i) such information may be disclosed to First Lien Lenders and Second Lien Lenders not party hereto, subject to the confidentiality provisions in the First Lien Loan Documents and/or the Second Lien Loan Documents, as applicable, and (ii) after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties, *provided, further*, that no Party or its advisors shall disclose to any person or entity (including, for the avoidance of doubt, any other Party), other than advisors to the Company, the principal amount or percentage of any Loans or other interests held by the Consenting First Lien Lenders or Consenting Second Lien Lenders, in each case, without such Consenting First Lien Lender or Consenting Second Lien Lender's prior written consent.

34. **Headings**. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

35. **Interpretation**. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

36. **Computation of Time**. Rule 9006(a) of the Federal Rules of Bankruptcy Procedure applies in computing any period of time prescribed or allowed herein only to the extent such period of time governs a Milestone pertaining to the entry of an order by the Bankruptcy Court in the Chapter 11 Cases.

[*Signatures and exhibits follow*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

BLACKHAWK MINING LLC BHM-WV, LLC
BLACK OAK MINING, LLC
BLACKHAWK COAL SALES, LLC
BLACKHAWK LAND AND RESOURCES, LLC
BLACKHAWK RIVER LOGISTICS, LLC
BLUE CREEK MINING, LLC
BLUE DIAMOND MINING, LLC
CAMPBELL'S CREEK MINING, LLC
EAGLE SHIELD, LLC
FANCO PLANT LOADOUT, LLC
FCDC COAL, INC.
GATEWAY EAGLE MINING, LLC
GUYANDOTTE MINING, LLC
HAMPDEN COAL, LLC
KANAWHA EAGLE MINING, LLC
LOGAN & KANAWHA, LLC
PANTHER CREEK MINING, LLC
PINE BRANCH LAND, LLC
PINE BRANCH MINING, LLC
PINE BRANCH RESOURCES, LLC
REDHAWK MINING, LLC
ROCK LICK PREP PLANT, LLC
ROCKWELL MINING, LLC
SPRUCE PINE LAND COMPANY
SPURLOCK MINING, LLC
TRIAD MINING, LLC
TRIAD TRUCKING, LLC
WELL PREP PLANT, LLC

By: _____
Name: Jesse Parrish
Title: Chief Financial Officer

Redwood Opportunity Master Fund, Ltd.
By: REDWOOD CAPITAL MANAGEMENT, LLC,
its Investment Manager

By _____
Name: Jonathan Kolatch
Title: Managing Member

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:
Redwood Opportunity Master Fund, Ltd.
910 Sylvan Avenue
Englewood Cliffs, NJ 07632
Fax: 201-568-1340
Attention: Toni Healey
Email: thealey@redwoodcap.com

REDWOOD MASTER FUND, LTD.
By: REDWOOD CAPITAL MANAGEMENT, LLC,
its Investment Manager

By _____
Name: Jonathan Kolatch
Title: Managing Member

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:
Redwood Master Fund, Ltd.
910 Sylvan Avenue
Englewood Cliffs, NJ 07632
Fax: 201-568-1340
Attention: Toni Healey
Email: thealey@redwoodcap.com

REDWOOD DRAWDOWN MASTER FUND, L.P.
By: REDWOOD CAPITAL MANAGEMENT, LLC
its Investment Manager

By _____
Name: Jonathan Kolatch
Title: Managing Member

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:
Redwood Drawdown Master Fund, Ltd.
910 Sylvan Avenue
Englewood Cliffs, NJ 07632
Fax: 201-568-1340
Attention: Toni Healey
Email: thealey@redwoodcap.com

Corbin Opportunity Fund, L.P.
By: Corbin Capital Partners, L.P.,
its Investment Manager

By _____
Name: Daniel Friedman
Title: General Counsel

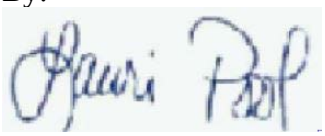
Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:
Redwood Master Fund, Ltd.
910 Sylvan Avenue
Englewood Cliffs, NJ 07632
Fax: 201-568-1340
Attention: Toni Healey
Email: thealey@redwoodcap.com

LENDER

SOL Loan Funding LLC
By:



Name:
Lauri Pool
Title:
Director

Principal Amount of First Lien Claims:

Principal Amount of Second Lien Claims:

[redacted]

Notice Address:
1301 Fannin, Ste 1700
Houston, Texas 77002

Fax: 877-637-5516

Attention:
Lauri Pool
Email:
Lauri.Pool@virtusllc.com

LENDER

BLANFORD CAPITAL COMPANY #4, LLC

By: 

Name: R. Scott Chisholm
Title: Authorized Signer

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Blanford Capital Company #4, LLC
227 West Monroe St., Suite 4900
Chicago, IL 60606

Attention: Operations
Email: chioperations@guggenheimpartners.com

LENDER

Solus Opportunities IDF Series Interests of the SALI Multi-Series Fund, L.P.
By: Solus Alternative Asset Management LP
Its Investment Subadvisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Solus Long-Term Opportunities Fund Master LP
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Solus Opportunities Fund 1 LP
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Solus Opportunities Fund 3 LP
By: Solus Alternative Asset Management LP
Its Investment Advisor

By:
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Solus Opportunities Fund 4 LP
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Solus Opportunities Fund 5 LP
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

SOLA LTD
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Solus Senior High Income Fund LP
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Ultra Master Ltd
By: Solus Alternative Asset Management LP
Its Investment Advisor

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

LENDER

Ultra NB LLC
By: Solus Alternative Asset Management LP
Its Investment Manager

By: _____
Name: Gordon J. Yeager
Title: Executive Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Solus Alternative Asset Management LP
Address: 410 Park Avenue - 11th Floor
New York, NY 10022 USA
Attn: Solus Compliance Officer

Fax: (212) 284-4338
Email: compliance@soluslp.com,
notices@soluslp.com

KNIGHTHEAD MASTER FUND, LP
By: Knighthead Capital Management, LLC, its Investment Manager

Name: Laura Torrado
Title: Authorized Signatory

Principal Amount of First Lien Claims:

Principal Amount of Second Lien Claims:

Principal Amount of Second Lien Claims – NON Consenting:

[redacted]

Notice Address: 1140 Sixth Avenue, 12th Floor
New York, NY 10036

KNIGHTHEAD ANNUITY & LIFE ASSURANCE COMPANY
By: Knighthead Capital Management, LLC, its Investment Advisor

Name: Laura Torrado
Title: Authorized Signatory

Principal Amount of First Lien Claims:

Principal Amount of Second Lien Claims:

Principal Amount of Second Lien Claims – NON Consenting:

[redacted]

Notice Address: 1140 Sixth Avenue, 12th Floor
New York, NY 10036

KNIGHTHEAD (NY) FUND, LP
By: Knighthead Capital Management, LLC, its Investment Advisor

Name: Laura Torrado
Title: Authorized Signatory

Principal Amount of First Lien Claims:

Principal Amount of Second Lien Claims:

Principal Amount of Second Lien Claims – NON Consenting:

[redacted]

Notice Address: 1140 Sixth Avenue, 12th Floor
New York, NY 10036

AP 2014 1, LLC

Name: Laura Torrado
Title: Authorized Signatory

Principal Amount of Second Lien Claims:

[redacted]

Notice Address: 1140 Sixth Avenue, 12th Floor
New York, NY 10036

AP 2015 1, LLC

Name: Laura Torrado
Title: Authorized Signatory

Principal Amount of Second Lien Claims: [redacted]

Notice Address: 1140 Sixth Avenue, 12th Floor
New York, NY 10036

J.H. LANE PARTNERS MASTER FUND, LP

By: _____

Name: Haskel Ginsberg

Title: CFO

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

J.H. Lane Partners Master Fund, LP
126 East 56th Street, Suite 1620
New York, NY 10022
Phone 212-899-9793
Fax:
Attention:
Email: hginsberg@jhlanepartners.com

CASPIAN SELECT CREDIT MASTER FUND, LTD.
CASPIAN SOLITUDE MASTER FUND, L.P.
CASPIAN HLSC1, LLC
SUPER CASPIAN CAYMAN FUND LIMITED
CASPIAN SC HOLDINGS, L.P.
CASPIAN FOCUSED OPPORTUNITIES FUND, L.P.
BLACKSTONE ALTERNATIVE MULTI STRATEGY SUB FUND IV L.L.C.

By Caspian Capital LP, as investment advisor/sub advisor of the above funds and accounts

By:
Name: Kathryn Murtagh
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Caspian Capital LP
10 East 53rd Street
35th Floor
New York, NY 10022
USA

Attention: Caspian Legal
Email: Legal@caspianlp.com

YORK GLOBAL FINANCE BDH, LLC

By:
Name: Richard Swanson
Title: General Counsel

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

767 5th Avenue, 17th Floor
New York, NY 10153
Phone 212-300-1300
Fax: 212-300-1301
Attention: Kevin Carr
Email: operations@yorkcapital.com

JEFFERIES LEVERAGED CREDIT PRODUCTS, LLC

By: William P. McLoughlin
Name: William P. McLoughlin
Title: Senior Vice President

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Jefferies Leverage Credit Products, LLC
520 Madison Avenue
New York, NY 10022
Phone 212-708-2823
Fax:
Attention: Eric Geller
Email: Eric.Geller@Jefferies.com

CPPIB CANADA INC.
CPPIB CREDIT INVESTMENTS INC.

By: _____
Name: Geoff Souter
Title: Authorized Signatory

By: _____
Name: Paul Shopiro
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

One Queen Street East | Suite 2500 | Toronto, ON | M5C 2W5 | Canada

Fax: 416-868-1993
Attention: Paul Shopiro
Email: pshopiro@cppib.com

RICHMOND HILL INVESTMENTS, LLC and RICHMOND HILL INVESTMENT CO., LP as Investment Managers of ESSEX EQUITY JOINT INVESTMENT VEHICLE, LLC, RICHMOND HILL CAPITAL PARTNERS, LP and ESSEX EQUITY HIGH INCOME JOINT INVESTMENT VEHICLE, LLC

By: _____

Name: Ryan P. Taylor
Title: Managing Partner

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Richmond Hill
375 Hudson Street, 12th Floor
New York, NY 10014
Phone: 212-989-2700
Fax:
Attention:
Email: rtaylor@rhiclp.com

CANYON CAPITAL ADVISORS LLC
(on behalf of its participating funds and/or accounts)

By: _____
Name: Jonathan M. Kaplan
Title: Authorized Signatory

CANYON PARTNERS REAL ESTATE LLC
(on behalf of its participating funds and/or accounts)

By: _____
Name: Jonathan M. Kaplan
Title: Authorized Signatory

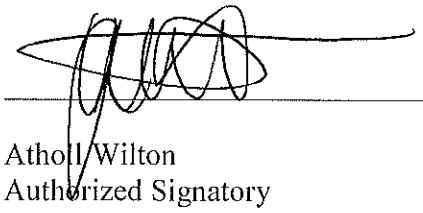
Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

2000 Avenue of the Stars, 11th FL
Los Angeles, CA 90067
Attention: Legal Department
Email:
legal@canyonpartners.com;
pbae@canyonpartners.com

GRACECHURCH OPPORTUNITIES FUND LIMITED

By: 
Name: Atholl Wilton
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

BIWA FUND LIMITED

By: _____
Name: Atholl Wilton
Title: Authorized Signatory

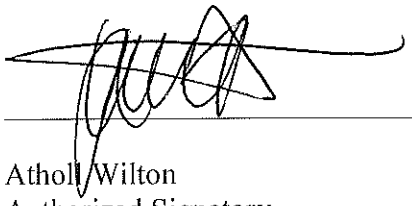
Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

MERCER MULTI-ASSET CREDIT FUND, A SUB-FUND OF MERCER QIF FUND PLC



By:
Name: Atholl Wilton
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

CQS CREDIT MULTI ASSET FUND, A SUB-FUND OF CQS GLOBAL FUNDS (IRELAND) LIMITED

By:
Name: Atholl Wilton
Title: Authorized Signatory

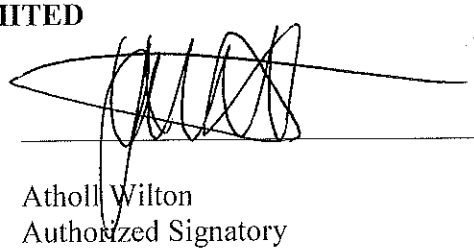
Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

GRACECHURCH LOANS FUND, A SUB-FUND OF CQS GLOBAL FUNDS (IRELAND) LIMITED



By:
Name: Atholl Wilton
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

CQS ACS FUND, AS SUB-FUND OF CQS GLOBAL FUNDS ICAV

By: _____

Name: Atholl Wilton

Title: Authorized Signatory

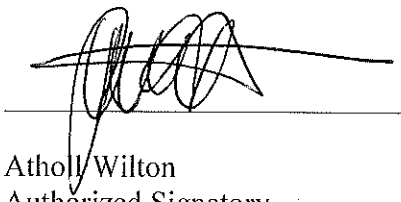
Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

CQS AIGUILLE DU CHARDONNET MF S.C.A. SICAV-SIF

By: 

Name: Atholl Wilton
Title: Authorized Signatory

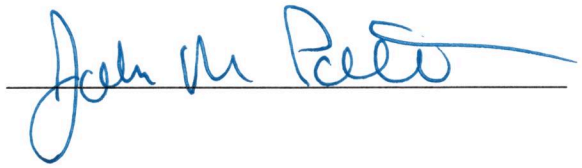
Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims: [redacted]

Notice Address:

Loan Operations, CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
Fax:
Attention:
Email:

John Mitchell Potter



Notice Address:

Blackhawk Mining, LLC
3228 Summit Square Place
Lexington, Kentucky 40509
Attn: Mitch Potter
Email: mpotter@blackhawkmining.com

ACKNOWLEDGED AND AGREED, that the undersigned Consenting First Lien Lender is deemed to be added to **Exhibit F** hereto.

LENDER

By: **~~MRP~~ Trading I B, LLC**
Name: John Sinna
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:
60 S. 6th Street, Suite 3720
Minneapolis, MN 55402

Fax:
Attention:
John Sinna / Teri Salberg

Email:
john.sinna@mcgintyroad.com
teri.salberg@mcgintyroad.com

ACKNOWLEDGED AND AGREED, that the undersigned Consenting First Lien Lender is deemed to be added to **Exhibit F** hereto.

LENDER Graham Macro Strategic Ltd.

By: Graham Capital Management, L.P., as sole Director
Name: Brian Douglas
Title: COO

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Graham Macro Strategic Ltd.
40 Highland Avenue
Norwalk, CT 06853

Fax: 203-899-3500
Attention: Mike Adams
Email: madams@grahamcapital.com

ACKNOWLEDGED AND AGREED, that the undersigned Consenting First Lien Lender is deemed to be added to **Exhibit F** hereto.

LENDER
Polygon Convertible Opportunity Master Fund

By: Polygon Global Partners LLP, its investment manager

By: _____
Name: Michael Humphries
Title: Authorized Signatory

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Fax:
Attention:
Email:

ACKNOWLEDGED AND AGREED, that the undersigned Consenting First Lien Lender is deemed to be added to **Exhibit F** hereto.

LENDER

By: Philip Arrington
Name: Philip Arrington
Title: Authorized Signatory for Scotts Cove Special Credits Master Fund Inc

Principal Amount of First Lien Claims: [redacted]

Principal Amount of Second Lien Claims:

Notice Address:

Fax:
Attention:
Email:

Exhibit A to the Restructuring Support Agreement

Restructuring Term Sheet

BLACKHAWK MINING LLC

RESTRUCTURING TERM SHEET

*This term sheet (this "**Restructuring Term Sheet**") describes the material terms of a restructuring (the "**Restructuring**") proposed by that certain group (the "**Group**") of lenders under (i) that certain First Lien Term Loan Credit Agreement, dated as of February 17, 2017 (the "**First Lien Credit Agreement**") among Blackhawk Mining LLC ("**Blackhawk Mining**", the "**Borrower**" or the "**Company**"), as borrower, the lenders from time to time party thereto (each a "**First Lien Lender**" and collectively, the "**First Lien Lenders**"), and Cantor Fitzgerald Securities, as administrative agent (all loans made thereunder collectively, the "**First Lien Loans**") and/or (ii) that certain Second Lien Term Loan Credit Agreement, dated as of October 28, 2015 (the "**Second Lien Credit Agreement**") among Blackhawk Mining, as borrower, the lenders from time to time party thereto (each a "**Second Lien Lender**" and collectively, the "**Second Lien Lenders**") and Cortland Capital Market Services LLC, as administrative agent (all loans made thereunder collectively, the "**Second Lien Loans**"). This Restructuring Term Sheet does not include a description of all the relevant terms and conditions of the Restructuring and none of the parties shall be required to consummate the Restructuring, whether on the terms set forth herein or otherwise, unless and until the definitive agreements in respect of the Restructuring are fully executed and delivered by the parties, and then only to the extent set forth therein. This Restructuring Term Sheet is proffered in the nature of a settlement proposal in furtherance of settlement discussions and is intended to be entitled to the protections of Rule 408 of the Federal Rules of Evidence and all other applicable statutes or doctrines protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions.*

Restructuring Overview	
Implementation	The Restructuring will be structured and implemented through a prepackaged plan of reorganization (the "**Plan**") substantially consistent with the terms set forth in this Restructuring Term Sheet.[2] The venue for any such chapter 11 proceedings in connection with the Plan shall be the District of Delaware.
DIP Facilities	First Lien Lenders party to the RSA (defined below) shall have the right to participate in the provision, pro rata to the principal amount of First Lien Loans held by each such First Lien Lender, to the Company of a secured superpriority debtor-in-possession financing facility (the "**DIP Term Facility**," and lenders thereunder the "**Term DIP Lenders**") in an aggregate principal amount of $150 million, consisting of: (i) $50 million in respect of new money funding (the "**New Money DIP**

[2] Provided that the parties hereto shall work in good faith to implement the Restructuring out of court rather than through a prepackaged plan of reorganization, if reasonably practicable.

	Loans") and (ii) a roll-up of $100 million of First Lien Loans (the "**Roll-Up DIP Loans**"). Concurrently with entering into the DIP Term Facility, the Company will enter into a debtor-in-possession asset-based revolving facility in an aggregate principal amount of up to $90 million (the "**DIP ABL Facility**" and, together with the DIP Term Facility, the "**DIP Facilities**"). Obligations under the DIP Facilities shall be allowed superpriority administrative claims and shall be secured by liens on all property of the Company (provided that the Roll-Up DIP Loans shall not be secured by liens on real property leases that, as of the Petition Date, are not subject to valid and perfected liens securing the Prepetition First Lien Term Loans in accordance with the Prepetition First Lien Term Loan Agreement because the consent of the applicable lessor to the creation of a security interest in favor of the Prepetition First Lien Term Lenders has not been obtained), with the relative rights and priorities among the lenders under the DIP Term Facility and DIP ABL Facility to be set forth in an intercreditor agreement, which will be in form and substance consistent with the Intercreditor Agreement, dated as of September 6, 2017, among the Company, the other grantors party thereto, and the agents party to the First Lien Credit Agreement and that certain Credit Agreement, dated as of September 6, 2017, providing an asset-based revolving credit facility to the Company (the "**ABL Credit Agreement**"). Terms and conditions with respect to the DIP Facilities shall be consistent with this Restructuring Term Sheet and the Blackhawk Mining LLC DIP Term Facility Term Sheet attached to the RSA as **Exhibit B** thereto and otherwise acceptable to the Required Consenting First Lien Lenders (as defined in the RSA).
Required Support	Commencement of solicitation of the Plan shall be conditioned on execution of a Restructuring Support Agreement (the "**RSA**") consistent with this Restructuring Term Sheet (and otherwise containing customary terms) by the following parties (the "**Required Supporting Parties**"): • Holders of at least two-thirds in principal amount of the First Lien Loans (the "**Required First Lien Lenders**"); • Holders of at least two-thirds in principal amount of the Second Lien Loans (the "**Required Second Lien Lenders**"); • The Company; and • John Mitchell Potter ("**Potter**"). It shall also be a condition precedent to the effectiveness of the RSA that each lender under the ABL Credit Agreement consents to treatment of

	the ABL on substantially the same terms as provided for by this Restructuring Term Sheet.

Treatment of Key Parties	
Treatment of DIP Facilities;[3] *Terms of New First Lien Loans*	Loans under the DIP ABL Facility shall be paid in cash in full on the effective date of the Plan (the "**Plan Effective Date**") or shall, at the option of the Borrower, convert into a new exit ABL facility. Each Term DIP Lender will receive its pro rata share (based on the outstanding principal amount of Term DIP Loans held by such Term DIP Lender) of $150 million (out of a total of $375 million) of new first lien term loans (the "**New First Lien Loans**"), which shall be governed by a credit agreement (the "**New First Lien Credit Agreement**") with terms substantially the same as those set forth in the First Lien Credit Agreement except with respect to the following provisions:[4] (i) The Applicable Margin for LIBOR Loans shall be 9.50%, with a LIBOR floor of 2.00%; (ii) The Maturity Date shall be four years after the Plan Effective Date; (iii) The Applicable ECF Percentage shall be revised in accordance with the following table:

Consolidated Leverage Ratio	Applicable ECF Percentage
>2.00x	100%
1.00x to 2.00x	75%
<1.00x	50%

(iv) The Borrowing Date shall be the effective date of the New First Lien Credit Agreement;
(v) Scheduled Term Loan Repayments shall be 0.50% per quarter, beginning on December 31, 2019;
(vi) The Liquidity Reserve shall be $100 million;
(vii) The CapEx Cap shall be $100 million;

[3] Capitalized terms used in this section but not otherwise defined in this Restructuring Term Sheet have the meanings ascribed to them in the First Lien Credit Agreement.

[4] In addition, Section 9.03(b) of the First Lien Credit Agreement shall be amended to make reference to "clause (b)" in place of "clause (ii)," which is intended to correct a typo in the existing First Lien Credit Agreement.

	(viii)	Incurrence under the ABL Asset Priority Lien Documents shall be capped at $90 million;
	(ix)	The call protection provisions shall be revised to provide for payment of 106% of principal for the first year after the Plan Effective Date, 104.5% for the second year, 103% for the third year and 102% for the fourth year;
	(x)	Section 8.03(j) shall be modified to provide that (1) no Restricted Payments may be made pursuant thereto if (i) Liquidity would be less than the Liquidity Reserve as of the most recent Excess Cash Payment Date before or after giving effect to such Restricted Payment or (ii) the Consolidated First Lien Leverage Ratio for the most recently ended period of four consecutive Fiscal Quarters of the Borrower for which the financial statements are available exceeds 2.00 to 1:00 both before and after giving effect to such Restricted Payment and (2) Restricted Payments may be made pursuant thereto (I) if the Consolidated First Lien Leverage Ratio for the most recently ended period of four consecutive Fiscal Quarters of the Borrower for which the financial statements are available is less than or equal to 2.00 to 1:00 but greater than or equal to 1.00 to 1.00, in each case both before and after giving effect to such Restricted Payment, so long as Term Loans in an amount no less than the amount of such Restricted Payment are prepaid (which prepayment shall include the prepayment premium set forth in Section 4.01(c)) on or prior to the date such Restricted Payment is made, subject to customary provisions permitting the lenders under the New First Lien Credit Agreement to decline to receive any such prepayment (for the avoidance of doubt, any exercise of such right shall not otherwise affect whether such Restricted Payment may be made) and (II) if the Consolidated First Lien Leverage Ratio for the most recently ended period of four consecutive Fiscal Quarters of the Borrower for which the financial statements are available is less than 1.00 to 1.00.
	(xi)	Any prepayment made in connection with Restricted Payments shall be treated as a dollar-for-dollar credit against any Excess Cash Flow prepayments described in clause (x) above.
	(xii)	The references to "$50,000,000" in each of (1) clause (a) of the definition of Maximum Incremental Amount, (2) clause (a) of the definition of Maximum Ratio Amount and (3) Section 8.04(o) shall, in each case, be replaced with "$25,000,000";
	(xiii)	Section 8.04 shall be modified to provide that any Indebtedness for borrowed money permitted thereby with an aggregate principal amount in excess of $25,000,000 that is either (x) secured by a Lien that is junior to the Liens securing the Obligations or (y) unsecured and, in either case, provided solely

by one or more Significant Holders (to be defined as any entity that holds (together with its affiliates) more than 10% of the voting stock of the Company) shall be subject to subordination terms satisfactory to the Required First Lien Lenders;

(xiv) Solely for purposes of Section 8.03(j), the Consolidated First Lien Leverage Ratio shall be calculated without regard to (1) clauses (a)(ix) and (x) of the definition of "Consolidated EBITDA" and (2) Section 1.03(b);

(xv) The definition of "Required Lenders" shall be revised to mean "at any time, Lenders the sum of whose outstanding Loans and Commitments, without duplication, at such time represents at least 57.5% of the sum of all outstanding Loans and Commitments at such time"; and

(xvi) The Maximum Leverage Covenant shall be as set forth in the table below.

Fiscal Quarter Ending	First Lien Net Leverage Ratio
September 30, 2019 and earlier	n/a
December 31, 2019	3.00x
March 31, 2020	3.00x
June 30, 2020	3.00x
September 30, 2020	3.00x
December 31, 2020	3.00x
March 31, 2021	2.75x
June 30, 2021	2.75x
September 30, 2021	2.75x
December 31, 2021	2.75x
March 31, 2022	2.50x
June 30, 2022	2.50x
September 30, 2022 and thereafter	2.50x

Except as expressly set forth above, the terms of the New First Lien Credit Agreement shall be no less favorable to the First Lien Lenders than those contained in the First Lien Credit Agreement. For the avoidance of doubt, except as expressly set forth above, the basket exceptions to the negative covenant regarding limitations on indebtedness in the New First Lien Credit Agreement will be identical to those contained in the First Lien Credit Agreement, subject to changes to reflect changes to the Company's capital structure following implementation of the Plan.[5]

[5] There shall not be baskets for 2L debt or PCC note, etc. that are being discharged.

Treatment of ABL	The claims under the ABL Credit Agreement shall be satisfied in connection with the creeping rollup of the DIP ABL Facility as set forth in the DIP Term Sheet and shall not be treated separately as a class under the Plan.
Treatment of First Lien Loans[6]	Each First Lien Lender will receive (i) its pro rata share (based on the outstanding principal amount of First Lien Loans (after giving effect to any Roll-Up DIP Loans) held by such First Lien Lender on the Plan Effective Date) of $225 million (out of a total of $375 million) of New First Lien Loans and (ii) its pro rata share of 71.0% of the equity of the Company following the Plan Effective Date (the "**Reorganized Company**").
Treatment of Second Lien Loans[7]	In satisfaction of the Second Lien Loans, which shall be cancelled in full in connection with the Restructuring, each Second Lien Lender will receive its pro rata share of 29.0% of the equity of the Reorganized Company.
Treatment of General Unsecured Claims	Subject to the PCC Note Settlement and the AP Settlements, general unsecured claims shall be unimpaired under the Plan.
Treatment of Existing Equity	Cancelled and entitled to no distribution, but holders of equity that vote in favor of the Plan will receive the benefit of the Plan's release provisions.

Other Terms	
PCC Note Settlement	The Plan will provide for the settlement of that certain Unsecured Promissory Note (the "**PCC Note**") dated October 28, 2015, issued by the Company and the PCC Liquidating Trust, in the original principal amount of approximately $15 million, for a $500,000 payment to the PCC Liquidating Trust and waiver of $100,000 due from the PCC Liquidating Trust (in each case on the Plan Effective Date), on the terms and conditions set forth in the term sheet attached to the RSA as **Exhibit D** thereto.

[6] First Lien Claims (as defined in the RSA) include all accrued and unpaid interest as of the Petition Date (as defined in the RSA).

[7] Second Lien Claims (as defined in the RSA) include all accrued and unpaid interest as of the Petition Date (as defined in the RSA).

AP Settlements	The Plan will provide for (i) the settlement of a minimum of $7 million in accounts payable to be paid out on terms reasonably acceptable to the Company and the Ad Hoc Crossholder Lender Group (as defined in the RSA), and (ii) approximately $5.5 million in royalty payments currently in arrears to be paid in June 2019 or later. Debt Commitment Agreement payment = $800k, to be paid on the Plan Effective Date.
John Mitchell Potter Settlement	Potter shall continue to serve as CEO until such time (the "**Termination Date**") that (i) current Board of Managers (or equivalent governing body) (the "**Current Board**") selects a replacement CEO, which replacement CEO shall be acceptable to the Ad Hoc Crossholder Lender Group, (ii) the Board of Managers (or equivalent governing body) of the Reorganized Company (the "**Reorganized Board**" and the Current Board or Reorganized Board, as applicable, the "**Board**") selects a replacement CEO or (iii) the Services Agreement (defined below) is executed by the parties thereto. On or prior to the earlier of (i) one day prior to the date of commencement of chapter 11 proceedings with respect to the Company or (ii) the Termination Date: (A) the Executive Employment Agreement, dated as of July 21, 2017, by and between Potter and the Company (the "**Old Employment Agreement**") shall be terminated and all claims under the Old Employment Agreement, including for severance and other benefits, compensation and rights, shall be waived by Potter and (B) the Company and Potter shall enter into a new Service Agreement approved in advance by the Ad Hoc Crossholder Lender Group (the "**Service Agreement**"). The Service Agreement shall run for the 12-month period from the date of its execution and shall provide that Potter shall serve as a consultant to the Company, at the discretion of the Board (the "**Services**"). The Service Agreement shall include the following terms: • Compensation shall be at an annual rate of $950,000. Such compensation shall be inclusive of compensation for serving on the Board, if applicable. • Potter may terminate his Services to the Company upon 15 days' notice, after which time Potter shall not be entitled to further compensation under the Service Agreement. • If the Company terminates Potter's Services other than for good cause or as a result of Potter's disability, Potter shall continue to receive the compensation due under the Service Agreement through the end of the 12-month term of the Service Agreement. No other contractual termination benefits shall be provided. • Upon the expiration of the 12-month term, any other termination of the Service Agreement or upon removal by the other members

	of the Board at their sole discretion, Potter shall immediately be deemed to have resigned, and shall resign, from the Board. In exchange for Potter's agreement to (i) continue to serve on the Board and agree to the modifications to the terms of his service set forth above, and (ii) cause certain entities under his control to continue to provide the goods and services required under the affiliate contracts listed on **Schedule 1** attached hereto (the "**Affiliate Contracts**"), the Company shall: • assume the Affiliate Contracts, with the amendments noted in Annex A; • pay $500,000 to Potter on the Plan Effective Date; • transfer title to the following two vehicles to Potter: 2017 GMC Truck (VIN: 1GT42YEY1HF159448) and 2018 GMC Truck (VIN: 1GK2CKJ9JR228977); • provide Potter with the benefit of the Debtor and "third-party" releases (the "**JMP Plan Releases**") in the Plan; and • grant Potter, for one year following the Termination Date (or earlier if the Company terminates Potter's Services for good cause), a right of first offer (the "**ROFO**") with respect to the Company's thermal coal assets, including, but not limited to, the Spurlock, Pine Branch, Blue Diamond, Samples, and Blue Creek mining complexes (the "**ROFO Assets**") on the following terms: o The Company shall notify Potter prior to commencing a sales process with respect to some or all of the ROFO Assets and allow Potter the opportunity to bid on such assets prior to or upon the commencement of such sales process; o In the event the Company receives an unsolicited offer for any ROFO Assets, the Company shall notify Potter of such offer and allow Potter the opportunity to bid on such assets if the Company decides to commence a sales process in response to such unsolicited offer; and o The ROFO shall not be applicable to any transaction involving all or substantially all of the assets or equity of the Company.
Releases	The Plan and the Confirmation Order will contain usual and customary exculpation provisions, Debtor releases and "third-party" releases, including with respect to the DIP Lenders, First Lien Lenders, Second Lien Lenders, Potter and the trustee of the PCC Liquidating Trust.
Board Observer Rights	Until the Plan Effective Date, each member of the Ad Hoc Crossholder Lender Group shall be entitled to designate one observer to the Current

	Board of the Company, and any committee thereof. Such observers shall have no obligation to refrain from using information received in such role in dealings with the Company and related matters. Such board observer rights shall be structured to preserve attorney-client privilege.
Governance of Reorganized Company	The Reorganized Board shall consist of five members, as provided below: • One appointee of Knighthead; • One appointee of Solus; • One appointee acceptable to Knighthead and Solus, subject to the consent, not to be unreasonably withheld, of the majority of a three-member committee consisting of members of the Ad Hoc First Lien Lender Group selected by members of the Ad Hoc First Lien Lender Group holding at least 50.01% of the loans held by such group; • One appointee acceptable to a group consisting of each holder (other than Knighthead and Solus) that will be entitled to receive under the Plan at least 10% of the equity of the Reorganized Company, with the consent of Knighthead and Solus not to be unreasonably withheld; and • The Chief Executive Officer of the Reorganized Company if there is a Chief Executive Officer at the relevant time. During the period in which no person is serving as the CEO, the applicable board seat shall be filled by a member of the executive team selected by a majority of the remaining Board members until a new individual becomes the CEO of the Company. Approval by a majority of the Reorganized Board will be required for the sale of all or substantially all of the Reorganized Company's assets or equity.
Management Team	As of the Plan Effective Date, the identity, and terms of employment of, the members of the management team shall be satisfactory to the Ad Hoc Crossholder Lender Group.
Management Incentive Plan	Equity of the Reorganized Company may be issued in amount sufficient to fund a management incentive plan (the "**Management Incentive Plan**") with up to 6% of the equity of the Reorganized Company (the

	"**MIP Equity**"),[8] subject to a vesting schedule to be determined by the Reorganized Board.

[8] The MIP Equity shall be non-voting or synthetic equity structured to be economically equivalent to such percentage of undiluted equity.

Schedule 1

- Office Lease Agreement for 3228 Summit Square Place, Suite 180 and Suite 200, Lexington, KY dated October 9, 2012, between Stillwater Development, LLC and Blackhawk Mining LLC, as amended by that certain Office Lease Agreement Amendment No. 1 dated August 8, 2014, and that certain Office Lease Agreement Amendment No. 2 dated May 1, 2015;
- Commercial Lease Agreement for 30 Little Creek Rd., Pikeville, KY 41501 dated January 1, 2013, between Potter Holdings, LLC and Blackhawk Mining LLC, as supplemented;
- Dry Lease Agreement (Bell 407), dated September 29, 2015, between JMP Coal Holdings, LLC and Blackhawk Mining LLC;
- Aircraft Storage and Office Space Agreement, dated April 1, 2017, between Cedar Creek Development, LLC and Blackhawk Mining LLC;
- Contractor Service Agreement (refuse hauling), dated December 1, 2015, between Blue Creek Mining, LLC and Hawkeye Contracting Company, LLC (contract term amended to extend one year from date of filing; either party may terminate or rebid at end of year by giving notice at least 90 days prior to year-end; otherwise contract term automatically extended for one year);
- Contractor Service Agreement (refuse hauling), dated December 1, 2015, between Panther Creek Mining, LLC and Hawkeye Contracting Company, LLC (contract term amended to extend one year from date of filing; either party may terminate or rebid at end of year by giving notice at least 90 days prior to year-end; otherwise contract term automatically extended for one year);
- Contractor Service Agreement (refuse hauling), dated December 19, 2018, between Kanawha Eagle Mining, LLC and Hawkeye Contracting Company, LLC (contract term amended to extend one year from date of filing; either party may terminate or rebid at end of year by giving notice at least 90 days prior to year-end; otherwise contract term automatically extended for one year);
- Contractor Services Agreement (general services) dated March 1, 2011, between Hawkeye Contracting Company, LLC and Blackhawk Mining LLC, as supplemented (contract term amended to extend one year from date of filing; either party may terminate or rebid at end of year by giving notice at least 90 days prior to year-end; otherwise contract term automatically extended for one year); and
- Marketing Agreement dated July 9, 2018, between Condor Holdings, LLC and Blackhawk Mining LLC.

Exhibit B to the Restructuring Support Agreement

DIP Term Sheet

BLACKHAWK MINING LLC
DIP TERM FACILITY TERM SHEET

This term sheet (the "**DIP Term Facility Term Sheet**") sets forth the principal terms of a secured debtor-in-possession credit facility (the "**DIP Term Facility**"; the credit agreement evidencing the DIP Term Facility, the "**DIP Term Credit Agreement**" and, together with the other definitive documents governing the DIP Term Facility, the "**DIP Term Documents**," each of which shall be in form and substance reasonably acceptable to the DIP Term Borrower (as defined below), the DIP Term Agent and the DIP Term Lenders (each as defined herein)). The DIP Term Credit Agreement otherwise shall be subject to the DIP Term Facility Documentation Principles (as defined below) and shall be entered into with the DIP Term Borrower and certain of its subsidiaries in connection with their respective cases under chapter 11 (the "**Cases**"; the debtors and debtors-in-possession thereunder, the "**Debtors**" and each a "**Debtor**") of title 11 of the United States Code (the "**Bankruptcy Code**"). The DIP Term Facility will be subject to the approval of the Bankruptcy Court (as defined herein) and consummated in the Cases in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"), in accordance with (i) the DIP Orders (as defined herein) of the Bankruptcy Court authorizing the Debtors to enter into the DIP Term Facility and (ii) the DIP Term Documents to be executed by the Debtors.

SUMMARY OF PRINCIPAL TERMS	
DIP Term Borrower	Blackhawk Mining LLC, as a debtor and debtor-in-possession (the "**DIP Term Borrower**" or the "**Company**").
Guarantors	Each existing and future domestic subsidiary of the DIP Term Borrower (other than the Non-Filing Subsidiaries (as defined below)), each as a debtor and debtor-in-possession (the "**Guarantors**" and, together with the DIP Term Borrower, the "**Loan Parties**"), it being understood and agreed that (a) each subsidiary of the DIP Term Borrower that is an obligor under the DIP ABL Facility and/or any of the Prepetition Facilities described below shall be a Guarantor and (b) each of the following subsidiaries of the DIP Term Borrower shall not be required to be a Guarantor so long as it remains an immaterial subsidiary (and does not hold any material assets) and does not become a debtor and debtor-in-possession (collectively, the "**Non-Filing Subsidiaries**"): BHM-WV, LLC, Fanco Plant Loadout, LLC, Campbell's Creek Mining, LLC, Black Oak Mining, LLC, Wells Prep Plant, LLC, Rock Lick Prep Plant, LLC and Gateway Eagle Mining, LLC.
DIP Term Agent	Cantor Fitzgerald Securities, as administrative agent and collateral agent (in such capacities, the "**DIP Term Agent**")
DIP Term Lenders	Funds managed or advised by the Consenting First Lien Lenders (as defined in the restructuring support agreement to which this DIP Term Facility Term Sheet is attached (the "**Restructuring Support Agreement**")) (including Knighthead Capital Management, LLC (such applicable funds, "**Knighthead**"), Solus Alternative Asset Management LP (such applicable funds, "**Solus**"), Redwood Capital Management, LLC (such applicable funds, "**Redwood**"), the Ad Hoc First Lien Lender Group (as defined in the Restructuring Support Agreement and, together with Knighthead, Solus and Redwood, the "**Specified Lenders**") and the other Prepetition First Lien Term Lenders (as defined below) that choose to participate in the DIP Term Facility, each of which is a Prepetition First Lien Term Lender (as defined below) on the Petition Date (as defined below), as lenders under the DIP Term Facility (in such capacities, collectively, the "**DIP Term Lenders**").

	The aggregate amount of the New Money DIP Commitments (as defined below) will be offered for participation to each lender under the Prepetition First Lien Term Loan Agreement (as defined below) (each, a "**Prepetition First Lien Term Lender**"), in each case up to such Prepetition First Lien Term Lender's pro rata share of the loans outstanding under the Prepetition First Lien Term Loan Agreement (the "**Prepetition First Lien Term Loans**"). As of the effective date of the Restructuring Support Agreement (the "**RSA Effective Date**"), the Specified Lenders have agreed to provide the full amount of the New Money DIP Commitments. To the extent any other Prepetition First Lien Term Lender (that is not a Specified Lender) desires to provide New Money DIP Commitments, such Prepetition First Lien Term Lender may, following the RSA Effective Date but prior to the date of the entry of the Interim DIP Order, elect to provide New Money DIP Commitments up to its pro rata share of the Prepetition First Lien Term Loans by either (i) submitting a signature page to the Restructuring Support Agreement indicating its New Money DIP Commitment or (ii) entering into a written agreement evidencing its New Money DIP Commitment (any such Prepetition First Lien Term Lender, a "**Later-Electing Prepetition First Lien Term Lender**"), in which case the New Money DIP Commitments of the Specified Lenders at the time of such election shall be reduced on a pro rata basis by the aggregate amount of the New Money DIP Commitments of such Later-Electing Prepetition First Lien Term Lender.
Amount & Type	A multiple-draw senior secured debtor-in-possession U.S. dollar term loan credit facility in an aggregate principal amount not to exceed $150 million (the commitments under the DIP Term Facility, the "**DIP Term Commitments**"; the loans under the DIP Term Facility, the "**DIP Term Loans**"), consisting of: (i) up to $50 million in respect of new money funding (the "**New Money DIP Loans**") and (ii) a roll-up of up to $100 million of Prepetition First Lien Term Loans as provided below, subject to the terms and conditions of this DIP Term Facility Term Sheet and the DIP Term Documents. The borrowing of DIP Term Loans shall permanently decrease the DIP Term Commitments, and any DIP Term Loans repaid may not be reborrowed. The DIP Term Lenders shall make the New Money DIP Loans available to the DIP Term Borrower in up to two draws in the following manner (in each case upon the satisfaction of the conditions precedent described below): (a) A first draw of New Money DIP Loans on the Closing Date (as defined below) in an aggregate principal amount of up to $35 million (the related commitments, the "**Initial New Money DIP Commitments**"). (b) A second draw of New Money DIP Loans within one business day after the entry of the Final DIP Order in an aggregate principal amount of up to $15 million (the related commitments, the "**Delayed Draw New Money DIP Commitments**" and, together with the Initial New Money DIP Commitments, the "**New Money DIP Commitments**"). An amount of Prepetition First Lien Term Loans held by DIP Term Lenders will be automatically substituted and exchanged for DIP Term Loans ("**Roll-Up DIP Loans**") in an amount equal to $2.00 for each $1.00 of New Money

	DIP Loans funded by the DIP Term Lenders on each borrowing date (the "**Roll-Up**").
Termination Date	The earliest of (i) the date falling six months after the commencement of the Cases (such commencement date, the "**Petition Date**"), (ii) the effective date of any Chapter 11 plan for the reorganization of the DIP Term Borrower or any other Debtor, (iii) the consummation of a sale or other disposition of all or substantially all assets of the Debtors under Bankruptcy Code section 363, (iv) the date of acceleration of the obligations under the DIP Term Facility and termination of the unused DIP Term Commitments upon and during the continuance of an event of default under the DIP Term Facility and (v) 45 days after the date of entry of the Interim DIP Order (or such later date as agreed to by the Required DIP Term Lenders (as defined below)), unless the Final DIP Order has been entered by the Bankruptcy Court on or prior to such date (such earliest date, the "**Termination Date**").
DIP ABL Facility	Concurrently with entering into the DIP Term Facility, the Debtors will enter into a debtor-in-possession asset-based revolving facility in an aggregate principal amount of up to $90 million (the "**DIP ABL Facility**" and, together with the DIP Term Facility, the "**DIP Facilities**"), with MidCap Financial Trust as the administrative agent thereunder (the "**DIP ABL Agent**" and, together with the DIP Term Agent, the "**DIP Agents**").
Exit Financing	Upon confirmation of the Acceptable Plan (as defined below) and the Company's emergence from bankruptcy, the DIP Term Loans will be converted into exit term loans in accordance with the Acceptable Plan and the Restructuring Support Agreement and otherwise upon terms satisfactory to the Required DIP Term Lenders.
Interest Rate	LIBOR + 9.50% per annum, with a LIBOR floor of 2.00%.
Default Interest	All overdue amounts will bear interest at a rate equal to 2.00% per annum plus the rate otherwise applicable to the relevant DIP Term Loans.
Amortization	None.
Mandatory Prepayments	Mandatory prepayments under the DIP Term Facility shall be required with 100% of the net cash proceeds from (a) issuance of any indebtedness (with exceptions for permitted indebtedness) and (b) sales or other dispositions (including casualty and condemnation events) of any assets (excluding sales of inventory in the ordinary course of business and other customary exceptions to be mutually agreed). Any mandatory prepayments prior to the effective date of an Acceptable Plan shall be applied, first, to repayment of the New Money DIP Loans until repaid in full, and second, to repayment of the Roll-Up DIP Loans, until repaid in full.
Voluntary Prepayments	Amounts outstanding under the DIP Term Facility may be voluntarily repaid at any time without premium or penalty, except as provided under the headings "Fees" and "Yield Protection"; *provided* that no voluntary prepayment of the Roll-Up DIP Loans shall be permitted until the New Money DIP Loans shall have been repaid in full.
Interim DIP Order	The interim order approving the DIP Facilities, which shall be in form and substance acceptable to the Required DIP Term Lenders and the required lenders under the DIP ABL Facility (the "**Interim DIP Order**"), shall, among other

	things, authorize and approve (i) the borrowing and making of the New Money DIP Loans in an amount up to $35 million, (ii) the Roll-Up, (iii) the granting of the super-priority claims and liens against the Debtors and their assets in accordance with this DIP Term Facility Term Sheet and the DIP Term Documents, (iv) the payment of all reasonable and documented fees and expenses (including the fees and expenses of outside counsel) required to be paid to the DIP Term Agent and the DIP Term Lenders as described in "Fees and Expenses; Indemnification" by the Debtors, (v) the use of cash collateral, *provided* that the Adequate Protection (as defined below) shall be granted in accordance with the terms set forth in this DIP Term Facility Term Sheet and (vi) the payment of the fees described under the heading "Fees" below, which payment shall not be subject to reduction, setoff or recoupment.
Final DIP Order	The final order approving the DIP Facilities, which shall be substantially in the same form as the Interim DIP Order (with such modifications as are necessary to convert the Interim DIP Order into a final order) and in form and substance acceptable to the Required DIP Term Lenders and the required lenders under the DIP ABL Facility (the "**Final DIP Order**" and, together with the Interim DIP Order, the "**DIP Orders**"), shall, among other things, authorize and approve the DIP Term Borrower to draw the full amount of the New Money DIP Commitments.
Prepetition Facilities[9]	"**Prepetition ABL Credit Agreement**" – that certain Credit Agreement, dated as of September 6, 2017, and the "Secured Parties" thereunder, the "**Prepetition ABL Secured Parties**", and the administrative agent thereunder, the "**Prepetition ABL Agent**". "**Prepetition First Lien Term Loan Agreement**" – that certain First Lien Term Loan Credit Agreement, dated as of February 17, 2017, the "Secured Parties" thereunder, the "**Prepetition FLTL Secured Parties**", and the administrative agent thereunder, the "**Prepetition First Lien Agent**". "**Prepetition Second Lien Term Loan Agreement**" – that certain Second Lien Term Loan Credit Agreement, dated as of October 28, 2015, the "Secured Parties" thereunder, the "**Prepetition Second Lien Secured Parties**" and, together with the Prepetition FLTL Secured Parties and the Prepetition ABL Secured Parties, the "**Prepetition Secured Parties**", and the administrative agent thereunder, the "**Prepetition Second Lien Agent**". The Prepetition First Lien Term Loan Agreement and the Prepetition Second Lien Term Loan Agreement are collectively referred to herein as the "**Prepetition Term Loan Agreements**". Collectively, the agreements described above are referred to herein as the "**Prepetition Credit Agreements**," and the secured obligations thereunder, collectively, the "**Prepetition Secured Obligations**" and all "Collateral" securing such Prepetition Secured Obligations, the "**Prepetition Collateral**".
DIP Collateral	All present and after acquired property (whether tangible, intangible, real, personal or mixed) of the Loan Parties, wherever located, including, without limitation, all accounts, inventory, equipment, capital stock in subsidiaries of

[9] In each case, as amended, supplemented or otherwise modified prior to the date hereof.

	the Loan Parties, including, for the avoidance of doubt, any equity or other interests in the Loan Parties' non-Debtor and/or jointly-owned subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks and other general intangibles, and all products and proceeds thereof, subject to customary exclusions and excluding any causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549, 550 or 553 or any other avoidance actions under the Bankruptcy Code or applicable non-bankruptcy law but, subject to entry of the Final DIP Order, including the proceeds thereof (collectively, the "**DIP Collateral**" and the liens on the DIP Collateral securing the DIP Facilities, the "**DIP Liens**"), it being understood and agreed that the Roll-Up DIP Loans shall not be secured by liens on real property leases that, as of the Petition Date, are not subject to valid and perfected liens securing the Prepetition First Lien Term Loans in accordance with the Prepetition First Lien Term Loan Agreement because the consent of the applicable lessor to the creation of a security interest in favor of the Prepetition First Lien Term Lenders has not been obtained (all such leased real property, the "**Specified Excluded Unencumbered Property**"). The relative rights and priorities in the DIP Collateral among the DIP Term Lenders and the lenders under the DIP ABL Facility will be set forth in an intercreditor agreement, which will be in form and substance consistent with that certain Intercreditor Agreement, dated as of September 6, 2017 (as amended, restated, supplemented or otherwise modified from time to time), among the Company, the other grantors party thereto, the Prepetition First Lien Agent and the Prepetition ABL Agent (the "**Prepetition Intercreditor Agreement**"). It is also understood and agreed that the collateral package for the DIP Facilities will also include the equity interests of the Borrower pledged by certain of its non-Debtor equity holders.
Priority Under the DIP Term Facility	All obligations of the DIP Term Borrower and the Guarantors to the DIP Term Lenders and to the DIP Term Agent (collectively, the "**DIP Term Obligations**") shall, subject to the Carve-Out (as defined on Exhibit A attached hereto), at all times: a. be entitled to superpriority administrative expense claim status in the Case of such Loan Party, except that such claims in respect of the Roll-Up DIP Loans will be junior to such claims in respect of the New Money DIP Loans; b. be secured by a perfected (i) first priority security interest and lien on the DIP Collateral (other than, in the case of the Roll-Up DIP Loans, the Specified Excluded Unencumbered Property) of each Loan Party that constitutes Term Loan Priority Collateral (to be defined in a manner consistent with Prepetition Intercreditor Agreement and such other modifications to reflect the commencement of the Cases) and (ii) second priority security interest and lien on the DIP Collateral of each Loan Party that constitutes ABL Priority Collateral (to be defined in a manner consistent with Prepetition Intercreditor Agreement and such other modifications to reflect the commencement of the Cases), in each case that is not subject to valid, perfected and unavoidable liens as of the Petition Date (subject to customary exclusions); and

	c. except as otherwise provided below with respect to the existing liens of the Prepetition Secured Parties with respect to Term Loan Priority Collateral, (i) be secured by a junior perfected security interest and lien on the DIP Collateral of each Loan Party to the extent such DIP Collateral is subject to (A) valid, perfected and unavoidable liens in favor of third parties that were in existence immediately prior to the Petition Date and permitted under the Prepetition Term Loan Agreements and (B) valid and unavoidable permitted liens in favor of third parties that were in existence immediately prior to the Petition Date that were perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code ((A) and (B) together, the "**Permitted Prior Liens**") and (ii) be secured by a junior perfected security interest and lien on the DIP Collateral that constitutes ABL Priority Collateral of each Loan Party to the extent subject to Prepetition ABL Secured Party Adequate Protection Liens; and d. pursuant to Section 364(d)(1) of the Bankruptcy Code, be secured by a perfected priming security interest and lien on the DIP Collateral of each Loan Party to the extent such DIP Collateral is subject to existing liens that secure the Prepetition Secured Obligations; *provided* the liens securing the DIP Term Obligations on ABL Priority Collateral shall be immediately junior to the liens securing the obligations under the Prepetition ABL Credit Agreement (including adequate protection liens). In each case above, the liens securing the Roll-Up DIP Loans shall be junior to the liens securing the obligations in respect of the New Money DIP Loans, it being understood and agreed that the Roll-Up DIP Loans will not be secured by the Specified Excluded Unencumbered Property.
Adequate Protection	Pursuant to Sections 361, 363(c), 363(e) and 364(d)(1) of the Bankruptcy Code, as protection in respect of (x) the incurrence of the DIP Facilities, (y) the imposition of the automatic stay, and (z) the Debtors' use of the Prepetition Collateral including cash collateral, the Debtors and the DIP Term Lenders agree (and the lenders under the DIP ABL Facility shall agree), subject to Bankruptcy Court approval, to adequate protection packages for the Prepetition ABL Secured Parties, the Prepetition FLTL Secured Parties, and the Prepetition Second Lien Secured Parties, subject to usual terms and customary conditions and to include the following (the "**Adequate Protection**"): Prepetition ABL Secured Parties: Until the discharge of the obligations under the Prepetition ABL Credit Agreement as set forth in the Final DIP Order: (a) reasonable and documented prepetition and postpetition fees and expenses of (i) the Prepetition ABL Agent and (ii) Hogan Lovells US LLP as sole counsel (and, if reasonably necessary, applicable local counsel) to the Prepetition ABL Secured Parties; (b) to the extent of diminution in value of their Prepetition Collateral, as provided in the Bankruptcy Code, allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Prepetition ABL Secured Party Adequate Protection Claims**");

	(c) to the extent of diminution in value of their Prepetition Collateral, as provided in the Bankruptcy Code, replacement liens on the DIP Collateral (other than the Specified Excluded Unencumbered Property) to secure the Prepetition ABL Secured Parties Adequate Protection Claims (the "**Prepetition ABL Secured Party Adequate Protection Liens**"), senior to all other liens on the DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) solely with respect to DIP Collateral that constitutes Term Loan Priority Collateral, the liens of the Prepetition FLTL Secured Parties (including the adequate protection liens granted thereto in accordance with this DIP Term Facility Term Sheet), (iv) the DIP Liens on the Term Loan Priority Collateral securing the DIP Term Facility and (v) the DIP Liens on the ABL Priority Collateral securing the DIP ABL Facility; (d) financial reporting and other reports and notices delivered by the Company under the DIP ABL Facility, including budgets and any variance reports thereon; (e) customary stipulations regarding validity, perfection and priority of the liens securing the Prepetition Secured Obligations under the Prepetition ABL Credit Agreement and regarding validity, priority and absence of defenses or counterclaims to Prepetition Secured Obligations under the Prepetition ABL Credit Agreement and customary releases, in each case subject to a customary challenge period; (f) Bankruptcy Code section 506(c) waiver and waiver of the "equities of the case" exception under section 552(b) of the Bankruptcy Code; and (g) customary termination events, stay relief, reservations of rights, and proof of claim provisions. Prepetition FLTL Secured Parties: (a) reasonable and documented prepetition and postpetition fees and expenses of (i) the Prepetition First Lien Agent, (ii) Davis Polk & Wardwell LLP (and, if reasonably necessary, applicable local counsel) as counsel to the Ad Hoc Crossholder Lender Group (as defined in the Restructuring Support Agreement) and, if requested, one counsel for the Prepetition First Lien Agent, (iii) Simpson Thacher & Bartlett LLP as counsel to Solus, and (iv) Shearman & Sterling LLP and applicable local counsel as counsel to the Ad Hoc First Lien Lender Group; (b) to the extent of diminution in value of their Prepetition Collateral, as provided in the Bankruptcy Code, allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Prepetition FLTL Secured Party Adequate Protection Claims**"); (c) to the extent of diminution in value of their Prepetition Collateral, as provided in the Bankruptcy Code, replacement liens on the DIP Collateral (other than the Specified Excluded Unencumbered Property) to secure the Prepetition FLTL Secured Parties Adequate Protection Claims (the "**Prepetition FLTL Secured Party Adequate Protection Liens**"), senior to all other liens on such DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) solely with respect to DIP Collateral that constitutes ABL Priority Collateral, the liens of the Prepetition ABL Secured Parties (including the adequate protection liens granted thereto in accordance with this DIP Term Facility Term Sheet), (iv) the DIP Liens

	securing the DIP Term Facility and (v) the DIP Liens on the ABL Priority Collateral securing the DIP ABL Facility; (d) financial reporting and other reports and notices delivered by the Company under the DIP Term Facility, including the Budget, updated Budgets, and any variance reports thereon; (e) customary stipulations regarding validity, perfection and priority of the liens securing the Prepetition Secured Obligations under the Prepetition First Lien Term Loan Agreement and regarding validity, priority and absence of defenses or counterclaims to Prepetition Secured Obligations under the Prepetition First Lien Term Loan Agreement and customary releases, in each case subject to a customary challenge period; (f) Bankruptcy Code section 506(c) waiver and waiver of the "equities of the case" exception under section 552(b) of the Bankruptcy Code; (g) customary termination events, stay relief, reservations of rights, and proof of claim provisions; and (h) roll-up of Prepetition First Lien Term Loans on a junior basis in accordance with this DIP Facility Term Sheet. Prepetition Second Lien Secured Parties: (a)(i) reasonable and documented prepetition and postpetition fees and expenses of (i) the Prepetition Second Lien Agent, (ii) Davis Polk & Wardwell LLP (and, if reasonably necessary, applicable local counsel) as counsel to the Prepetition Second Lien Secured Parties and (iii) reasonable and documented prepetition and postpetition fees and expenses of Stroock & Stroock & Lavan LLP (and, if reasonably necessary, applicable local counsel) as counsel to the Prepetition Second Lien Agent; (b) to the extent of diminution in value of their Prepetition Collateral, as provided in the Bankruptcy Code, allowed superpriority claims as provided for in sections 503(b) and 507(b) of the Bankruptcy Code (the "**Prepetition Second Lien Secured Party Adequate Protection Claims**"); (c) to the extent of diminution in value of their Prepetition Collateral, as provided in the Bankruptcy Code, replacement liens on the DIP Collateral (other than the Specified Excluded Unencumbered Property) to secure the Second Lien Credit Agreement Secured Party Adequate Protection Claims (the "**Prepetition Second Lien Secured Party Adequate Protection Liens**"), senior to all other liens on such DIP Collateral except (i) the Carve-Out, (ii) the Permitted Prior Liens, (iii) the liens of the Prepetition ABL Secured Parties (including the adequate protection liens granted thereto in accordance with this DIP Facility Term Sheet), (iv) liens of the Prepetition FLTL Secured Parties (including the adequate protection liens granted thereto in accordance with this DIP Term Facility Term Sheet), (v) the DIP Liens securing the DIP Term Facility and (vi) the DIP Liens on the ABL Priority Collateral securing the DIP ABL Facility; (d) financial reporting and other reports and notices delivered by the Company under the DIP Term Facility, including the Budget, updated Budgets, and any variance reports thereon;

	(e) customary stipulations regarding validity, perfection and priority of the liens securing the Prepetition Secured Obligations under the Prepetition Second Lien Term Loan Agreement and regarding validity, priority and absence of defenses or counterclaims to Prepetition Secured Obligations under the Prepetition Second Lien Term Loan Agreement and customary releases, in each subject to the customary challenge period; (f) Bankruptcy Code section 506(c) waiver and waiver of the "equities of the case" exception under section 552(b) of the Bankruptcy Code; and (g) customary termination events, stay relief, reservations of rights, and proof of claim provisions.
Milestones	The DIP Term Documents shall require compliance with the following milestones (the "**Milestones**"): • No later than 1 day after the Petition Date, filing of a motion, in form and substance satisfactory to the DIP Term Lenders, seeking approval of the DIP Term Facility. • No later than 5 days after the Petition Date, entry of the Interim DIP Order and filing of an Acceptable Disclosure Statement and an Acceptable Plan. • No later than 45 days after the Petition Date, entry of the Final DIP Order. • No later than 75 days after the Petition Date, approval of an Acceptable Disclosure Statement and approval of the Acceptable Plan (the "**Confirmation Date**"). • No later than 14 days after the Confirmation Date, effectiveness of the Acceptable Plan. The Milestones may be amended, modified or extended, in each case, only by (i) order of the Bankruptcy Court or (ii) the prior written consent of the Required DIP Term Lenders.
Events of Default	Consistent with the DIP Term Facility Documentation Principles.
Conditions Precedent to Closing	Usual and customary for financings of this type, including, without limitation: (i) execution and delivery of the DIP Term Credit Agreement and the other DIP Term Documents evidencing the DIP Term Facility; (ii) the Petition Date shall have occurred, and the DIP Term Borrower and each Guarantor shall be a debtor and a debtor-in-possession; (iii) the Debtors shall have filed a Plan as defined in the Restructuring Support Agreement consistent with the terms thereof with such changes as are acceptable to the Required DIP Term Lenders (an "**Acceptable Plan**") and a Disclosure Statement as defined in the Restructuring Support Agreement consistent with the terms thereof with such changes as are acceptable to the Required DIP Term Lenders (an "**Acceptable Disclosure Statement**"); (iv) entry of the Interim DIP Order; and (v) delivery of a Budget (as defined below) reasonably acceptable to the Required DIP Term Lenders.
Conditions Precedent to the Funding of each New Money DIP Loan	Usual and customary for financings of this type, including, without limitation: (i) no default or event of default; (ii) accuracy of representations and warranties in all material respects; (iii) the Interim DIP Order or the Final DIP Order, as applicable, shall be in full force and effect and shall not have been vacated or reversed, shall not be subject to a stay, and shall not have been modified or amended in any respect without the consent of the Required DIP Term Lenders;

	(iv) delivery of a customary notice of borrowing; and (v) with respect to the drawing under the Delayed Draw New Money DIP Commitments, the funding thereunder occurs within one business day after the entry of the Final DIP Order.
Closing Date	The date on which the conditions specified in the "Conditions Precedent to Closing" section above are satisfied and on which the "Conditions Precedent to the Funding of each New Money DIP Loan" section above with respect to the initial DIP Term Loans are satisfied is referred to herein as the "**Closing Date**".
Covenants	Consistent with the DIP Term Facility Documentation Principles.
Financial Covenant	Budget variance covenant, tested weekly against the Approved Budget (as defined below) beginning at the conclusion of the second calendar week after the Petition Date, as follows: • actual operating cash receipts shall not vary from projected operating cash receipts, in each case measured on a cumulative basis since the Petition Date, by more than 20%; and • actual operating disbursements (excluding professional fees) shall not vary from projected operating disbursements (excluding professional fees), in each case measured on a cumulative basis since the Petition Date, by more than 10%. "**Budget**" means, a rolling 13-week cash flow forecast delivered on or prior to the Closing Date and every four weeks after the Petition Date, setting forth the Debtors' projected cash receipts and cash disbursements during such 13-week period (i) initially, covering the period commencing on or about the Closing Date and (ii) thereafter, commencing on the first day of each four-week period thereafter. Any updates to the Budget delivered after the Closing Date shall be reasonably acceptable to the Required DIP Term Lenders, it being understood that (x) no changes shall be made in any such updated Budget with respect to any periods that were included in a previously delivered Budget and (y) if the Required DIP Term Lenders have not objected to an updated Budget within five Business Days after delivery thereof, the updated Budget shall be deemed to be approved (each such approved Budget, the "**Approved Budget**").
Representations and Warranties	Consistent with the DIP Term Facility Documentation Principles.
Voting	Amendments and waivers of the DIP Term Facility will require the approval of DIP Term Lenders holding more than 50% of the outstanding DIP Term Commitments and DIP Term Loans (the "**Required DIP Term Lenders**"), subject to customary exceptions for certain provisions which shall require the consent of each affected DIP Term Lender or all DIP Term Lenders and customary protections for the DIP Term Agent.
Fees and Expenses; Indemnification	Consistent with the DIP Term Facility Documentation Principles.
Fees	(a) *Upfront Fee/Original Issue Discount*: 1.00% of the aggregate principal amount of the New Money DIP Commitments, which shall be due and payable on the applicable funding date thereof to the DIP Term Lenders in cash ratably based on their respective New Money DIP Commitments, which fee may, at the election of the Required DIP Term Lenders, be in the form of original issue discount.

	(b) *Unused Line Fee*: 1.00% per annum on the actual daily amount of the unused Delayed Draw New Money DIP Commitments, which shall be paid on the funding date thereunder to the DIP Term Lenders in cash ratably based on their respective Delayed Draw New Money DIP Commitments. (c) *Exit Fee*: 1.00% of the aggregate principal amount of the New Money DIP Loans, which shall be due and payable in cash on the Termination Date or, in the case of New Money DIP Loans prepaid in whole or in part prior to the Termination Date, on the date of such prepayment.
Assignments and Participations	Consistent with the DIP Term Facility Documentation Principles.
Governing Law	The laws of the State of New York (excluding the laws applicable to conflicts or choice of law), except as governed by the Bankruptcy Code.
Yield Protection	Usual and customary for financings of this type.
DIP Term Facility Documentation Principles	(a) The DIP Term Credit Agreement and the other DIP Term Documents shall be negotiated in good faith and based on the Prepetition First Lien Term Loan Agreement, and shall contain the terms and conditions set forth in this DIP Term Facility Term Sheet, and (b) subject to the following, the DIP Term Documents will be based on the Prepetition First Lien Term Loan Agreement and the related collateral documents, in each case, modified (i) to the extent required to reflect the express terms and conditions set forth in this DIP Term Facility Term Sheet, (ii) to the extent required to reflect the shorter tenor of the DIP Term Facility, (iii) to account for the existence and continuance of the Cases (including customary representations and warranties, covenants and events of default for facilities of this type), the operational needs and requirements of the Debtors between the commencement of the Cases and the Termination Date and to include provisions applicable to debtor-in-possession facilities generally and other customary changes to be mutually agreed including with respect to tighter carve-outs or deleted carve-outs in negative covenants, including a prohibition on any investment by a Loan Party in a Non-Filing Subsidiary on or after the Closing Date, (iv) to reflect changes in law since the date of the Prepetition First Lien Term Facility, (v) to reflect the policies and procedures of the DIP Term Agent in deals where it acts as administrative agent and (vi) as otherwise agreed between the DIP Borrower and the DIP Term Lenders. Notwithstanding the foregoing or any other provision hereof, certain "thresholds," "baskets," "grace periods," and "cure periods" shall be modified in a customary manner for debtor-in-possession facilities and the DIP Term Borrower and DIP Term Lenders agree to negotiate such modifications in good faith. The provisions of clauses (a) and (b) are collectively referred to as the "**DIP Term Documentation Principles**").
Counsel to DIP Term Agent	Davis Polk & Wardwell LLP.

Exhibit A

Carve-Out

(a) Carve Out. As used in this [Final/Interim] Order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and the Creditors' Committee (if appointed) pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the [DIP Term Agent or the DIP ABL Agent] of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $2,000,000 incurred after the first business day following delivery by the [DIP Term Agent or the DIP ABL Agent] of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap"). For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the [DIP Term Agent or the DIP ABL Agent] to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Creditors' Committee (if appointed) with a copy to the Prepetition First Lien Agent (which shall post the same to the Prepetition First Lien Term Lenders), which notice may be delivered following the occurrence and during the continuation of an Event of Default (as defined in, and under, the DIP ABL Credit Agreement or the DIP Term Credit Agreement) and acceleration of the [DIP ABL Obligations] or the [DIP Term Obligations] under the DIP ABL Facility or the DIP Term Facility, as applicable, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Fee Estimates. Not later than 7:00 p.m. New York time on the third business day of each week starting with the first full calendar week following the [Closing Date], each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses (collectively, "Estimated Fees and Expenses") incurred during the preceding week by such Professional Person (through Saturday of such week, the "Calculation Date"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "Weekly Statement"); *provided*, *that* within one business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver one additional statement (the "Final Statement") setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date. If any Professional Person fails to deliver a Weekly Statement within three calendar days after such Weekly Statement is due, such Professional Person's entitlement (if any) to any funds in the Carve Out Reserves (as defined below) with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Budget (as defined in the [DIP ABL Credit Agreement and the DIP Term Credit Agreement], the "Budget") for such period for such Professional Person; *provided*, *that* such Professional Person shall be entitled to be paid any unpaid amount of Allowed Professional Fees in excess of Allowed Professional Fees included in the Budget for such period for such Professional Person from a reserve to be funded by the Debtors from all cash on hand as of such date and any available cash thereafter held by any Debtor pursuant to paragraph [●](c) below. Solely as it relates to the DIP ABL Agent, the DIP Term Agent, the [DIP ABL Lenders, the DIP Term Lenders, the Prepetition ABL Agent, and the Prepetition Secured Parties], any deemed draw and

borrowing pursuant to paragraph [●](c)(i)(x) for amounts under paragraph [●](a)(iii) above shall be limited to the greater of (x) the sum of (I) the aggregate unpaid amount of Estimated Fees and Expenses included in such Weekly Statements timely received by the Debtors prior to the Termination Declaration Date *plus*, without duplication, (II) the lesser of (1) the aggregate unpaid amount of Estimated Fees and Expenses included in the Final Statements timely received by the Debtors pertaining to the period through and including the Termination Declaration Date and (2) the Budgeted Cushion Amount (as defined below), and (y) the aggregate unpaid amount of Allowed Professional Fees included in the Budget for the period prior to the Termination Declaration Date (such amount, the "DIP Professional Fee Carve Out Cap"). For the avoidance of doubt, the DIP ABL Agent and the DIP Term Agent shall be entitled to maintain at all times a reserve (the "Carve-Out Reserve") in an amount (the "Carve-Out Reserve Amount") equal to the sum of (i) the greater of (x) the aggregate unpaid amount of Estimated Fees and Expenses included in all Weekly Statements timely received by the Debtors, and (y) the aggregate amount of Allowed Professional Fees contemplated to be unpaid in the Budget at the applicable time, *plus* (ii) the Post-Carve Out Trigger Notice Cap, *plus* (iii) the amounts contemplated under paragraph [●](a)(i) and [●](a)(ii) above, *plus* (iv) an amount equal to the amount of Allowed Professional Fees set forth in the Budget for the then current week occurring after the most recent Calculation Date and the two weeks succeeding such current week (such amount set forth in (iv), regardless of whether such reserve is maintained, the "Budgeted Cushion Amount"). Not later than 7:00 p.m. New York time on the fourth business day of each week starting with the first full calendar week following the [Closing Date], the Debtors shall deliver to the DIP ABL Agent and the DIP Term Agent a report setting forth the Carve-Out Reserve Amount as of such time, and, in setting the Carve-Out Reserve, the DIP ABL Agent and the DIP Term Agent shall be entitled to rely upon such reports in accordance with section [●] of the [DIP ABL Credit Agreement and the DIP Term Credit Agreement], respectively. Prior to the delivery of the first report setting forth the Carve-Out Reserve Amount, the DIP ABL Agent and the DIP Term Agent shall calculate the Carve-Out Reserve Amount by reference to the Budget for subsection (i) of the Carve-Out Reserve Amount.

(c) Carve Out Reserves.

(i) On the day on which a Carve Out Trigger Notice is given by [the DIP ABL Agent or the DIP Term Agent] to the Debtors with a copy to counsel to the Creditors' Committee (if appointed) (the "Termination Declaration Date"), the Carve Out Trigger Notice shall (x) be deemed a draw request and notice of borrowing by the Debtors for [Revolving/Delayed Draw Term] Loans under the [Revolving/Delayed Draw Term] Loan Commitment (each, as defined in the [DIP ABL Credit Agreement] or [DIP Terms Loan Credit Agreement], as applicable) (on a pro rata basis based on the then outstanding [Revolving/Delayed Draw Term] Loan Commitments), in an amount equal to the sum of (1) the amounts set forth in paragraphs [●](a)(i) and [●](a)(ii) above, and (2) the lesser of (a) the then unpaid amounts of the Allowed Professional Fees (b) the DIP Professional Fee Carve Out Cap (any such amounts actually advanced shall constitute [Revolving/Delayed Draw Term] Loans) and (y) also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the sum of the amounts set forth in paragraphs [●](a)(i)–(iii) above. The Debtors shall deposit and hold such amounts in a segregated account at the [DIP ABL Agent and the DIP Term Agent] in trust in respect of amounts funded by the [ABL DIP Lenders] and, if applicable, the proceeds of the Term Loan Priority Collateral or the proceeds of the DIP Term Loan exclusively to pay such then unpaid Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve") prior to any and all other claims.

(ii) On the Termination Declaration Date, the Carve Out Trigger Notice shall also (x) be deemed a request by the Debtors for [Revolving/Delayed Draw Term] Loans under the [Revolving/Delayed Draw Term] Loan Commitment (on a pro rata basis based on the then outstanding [Revolving/Delayed Draw Term] Loan Commitments), in an amount equal to the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute [Revolving/Delayed Draw Term] Loans) and (y) constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such

amounts in a segregated account at the [DIP ABL Agent or the DIP Term Agent (as applicable)] in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the "Post-Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves") prior to any and all other claims.

(iii) On the first business day after the DIP Term Agent or the DIP ABL Agent gives such notice to such [Revolving/Delayed Draw Term] Lenders (as defined in the DIP ABL Credit Agreement), notwithstanding anything in the DIP ABL Credit Agreement to the contrary, including with respect to the existence of a Default (as defined in the DIP ABL Credit Agreement) or Event of Default, the failure of the Debtors to satisfy any or all of the conditions precedent for [DIP ABL] Loans under the [DIP ABL] Facility, any termination of the [DIP ABL] Loan Commitments following an Event of Default, or the occurrence of the Maturity Date, each [DIP ABL] Lender with an outstanding Commitment (on a pro rata basis based on the then outstanding Commitments) shall make available to the [DIP ABL Agent] such [DIP ABL] Lender's pro rata share with respect to such borrowing in accordance with the [DIP ABL] Facility; *provided* that in no event shall the [DIP ABL Agent] or the [DIP ABL Lenders] be required to extend [DIP ABL] Loans pursuant to a deemed draw and borrowing pursuant to paragraphs [●](c)(i)(x) and [●](c)(ii)(x) in an aggregate amount exceeding the Carve-Out Reserve Amount.

(iv) All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full. If the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to clause (iii), below, all remaining funds in (x) the account funded by the DIP ABL Lenders shall be distributed *first* to the DIP ABL Agent on account of the DIP ABL Obligations until indefeasibly paid in full, in cash, all Commitments have been terminated, and all Letters of Credit have been cancelled (or all such Letters of Credit have been fully cash collateralized or otherwise back-stopped, in each case to the satisfaction of the Issuing Bank (as defined in the DIP ABL Credit Agreement), and *thereafter* for application to the Prepetition ABL Obligations in accordance with the Prepetition ABL Credit Agreement as of the Petition Date and (y) all remaining funds in the account funded by the DIP Term Lenders shall be distributed to the DIP Term Agent which shall apply such funds to the DIP Term Obligations in accordance with the DIP Term Credit Agreement until indefeasibly paid in full, in cash.

(v) All funds in the Post Carve Out Trigger Notice Reserve, to the extent they exceed the DIP Professional Fee Carve Out Cap, shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post Carve Out Amounts"). If, after such application, the Post Carve Out Trigger Notice Reserve has not been reduced to zero, subject to clause (iii) below, all remaining funds (x) in respect of the account funded by the DIP ABL Lenders, shall be distributed *first* to the DIP ABL Agent on account of the DIP ABL Obligations until indefeasibly paid in full, in cash, all commitments to extend credit under the DIP ABL Facility have been terminated, and all letters of credit have been cancelled (or all such letters of credit have been fully cash collateralized or otherwise back-stopped, in each case to the satisfaction of the Issuing Bank), and *thereafter* for application to the Prepetition ABL Obligations in accordance with the Prepetition ABL Credit Agreement as of the Petition Date and (y) all remaining funds in the account funded by the DIP Term Lenders shall be distributed to the DIP Term Agent, which shall apply such funds to the DIP Term Obligations in accordance with the DIP Term Credit Agreement until indefeasibly paid in full, in cash.

(vi) Notwithstanding anything to the contrary in the [DIP ABL Documents, the DIP Term Documents], or this [Final/Interim] Order, (x) if either of the Carve Out Reserves required to be funded by the DIP ABL Lenders is not funded in full in the amounts set forth in this paragraph, then any excess funds in one of the Carve Out Reserves held in any account funded by the DIP ABL Lenders following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts (subject to the limits contained in the DIP Professional Fee Carve Out Cap and the Post-Carve Out Trigger Notice Cap, respectively) shall be used to fund the other Carve Out Reserve to the extent of any shortfall in funding by

the DIP ABL Lenders prior to making any payments to the DIP ABL Agent or the Prepetition ABL Secured Parties, as applicable, and (y) if either of the Carve Out Reserves required to be funded with the proceeds of [Term Loan Priority Collateral] is not funded in full in the amounts set forth in this paragraph, then any excess funds in one of the Carve Out Reserves held in any account funded by such cash on hand following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts (subject to the Post-Carve Out Trigger Notice Cap), respectively, shall be used to fund the other Carve Out Reserve to the extent of any shortfall in funding by the cash on hand prior to making any payments to the DIP Term Agent or the Prepetition Secured Parties, as applicable.

(vii) Notwithstanding anything to the contrary in the [DIP ABL Documents, the DIP Term Documents] or this [Final/Interim] Order, following delivery of a Carve Out Trigger Notice, the [DIP ABL Agent] and the [Prepetition ABL Agent] shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves required to be funded by the DIP ABL Lenders have been fully funded, but the DIP ABL Agent and the Prepetition ABL Agent have a security interest in any residual interest in the Carve Out Reserves held in accounts by the DIP ABL Agent, with any excess paid as provided in paragraphs (i) and (ii) above; and (y) the DIP Term Agent and the [Prepetition First Lien Agent] shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid as provided in paragraphs (ii) and (iii) above. The security interests of the DIP ABL Agent and the DIP Term Agent on any residual interest in the Carve Out Reserves shall be shared pro rata based on the amount of funds in the Carve Out Reserves funded by (x) the proceeds of [DIP Term Collateral] and (y) the DIP ABL Lenders or the [DIP ABL Collateral]. Further, notwithstanding anything to the contrary in this [Final/Interim] Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute [Loans] (as defined in the [DIP Term Credit Agreement or the DIP ABL Credit Agreement]) or increase or reduce the [DIP Term Obligations] or [the DIP ABL Obligations], (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the Initial Budget, Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this [Final/Interim] Order, the DIP Term Facility, the DIP ABL Facility, or in any [Prepetition Credit Agreements], the Carve Out shall be senior to all liens and claims securing the [DIP Term Facility, the DIP ABL Facility], the Adequate Protection Liens, and the 507(b) Claim, and any and all other forms of adequate protection, liens, or claims securing the [DIP Term Obligations], [the DIP ABL Obligations] or the [Prepetition Secured Obligations].

(d) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(e) No Direct Obligation To Pay Allowed Professional Fees. None of the [DIP Term Agent], [DIP ABL Agent, DIP ABL Lenders,] [DIP Term Lenders], or the [Prepetition Secured Parties] shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this [Interim/Final] Order or otherwise shall be construed to obligate the [DIP Term Agent, DIP ABL Agent, the DIP Term Lenders, or the Prepetition Secured Parties], in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(f) Payment of Carve Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out shall be added to, and made a part of, the [DIP Term Obligations] secured by the

[DIP Collateral] and shall be otherwise entitled to the protections granted under this [Final/Interim] Order, the [DIP Documents], the Bankruptcy Code, and applicable law.

Exhibit C to the Restructuring Support Agreement

Corporate Governance Term Sheet

BLACKHAWK MINING LLC CHAPTER 11 RESTRUCTURING
CORPORATE GOVERNANCE TERM SHEET

This term sheet ("***Term Sheet***") describes the post-effective corporate governance in connection with the restructuring (the "***Restructuring***") of Blackhawk Mining LLC, a Kentucky limited liability company. This Term Sheet is not binding, is subject to material change and is being distributed for discussion purposes only. This Term Sheet is not a commitment to provide financing or engage in any transaction.

Capitalized terms used in this Term Sheet but not defined herein shall have the meanings set forth in that certain Restructuring Support Agreement to which this Term Sheet is attached as an exhibit (the "***Support Agreement***").

Reorganized Issuer	An entity of a type to be specified subsequently (the "***Company***" and the constituent governance documents of such Company, the "***organizational documents***")
Classes of Units	One class of units or other appropriate common equity ("***Units***")
Board of Directors	Initial Board of Directors (the "***Board***") to provide for five director seats consisting of (i) one director designated by Knighthead (the "***Knighthead Designee***"), (ii) one director designated by Solus (the "***Solus Designee***"), (iii) one director acceptable to Knighthead and Solus, subject to the consent, not to be unreasonably withheld, of the majority of a three-member committee (the "***Advisory Committee***") consisting of members of the Ad Hoc First Lien Lender Group selected by members of the Ad Hoc First Lien Lender Group holding at least 50.01% of the loans held by such group (the "***K&S Designee***"), (iv) one director acceptable to all holders of at least [____][10] Units (other than Knighthead and Solus) (a "***Group Designee***"), with the consent of Knighthead and Solus not to be unreasonably withheld, and (v) the CEO (the "***CEO Designee***"). After the Effective Date: • Knighthead will have the right to designate one Knighthead Designee for as long as it holds at least [____][11] Units. • Solus will have the right to designate one Solus Designee for as long as it holds at least [____][12] Units. • Knighthead and Solus will each maintain its designation right over the K&S Designee for so long as such entity holds at least [____][13] Units.

[10] NTD: To be equal to 10% of the Units issued on the Emergence Date.

[11] NTD: To be equal to 15% of the Units issued on the Emergence Date.

[12] NTD: To be equal to 15% of the Units issued on the Emergence Date.

[13] NTD: To be equal to 15% of the Units issued on the Emergence Date.

	• Any party (other than Knighthead and Solus) that holds or comes to hold at least [____][14] Units will join the group with designation right over the Group Designee. • Simultaneously with ceasing to be CEO of the Company, the CEO Designee shall resign or be removed from the Board, and any individual that becomes the CEO of the Company shall in connection therewith be designated as a member of the Board as the CEO Designee. During the period in which no person is serving as the CEO, the CEO Designee board seat shall be filled by a member of the executive team selected by a majority of the remaining Board members until an individual becomes the CEO of the Company. Any Group Designee or K&S Designee shall be independent of the Company and any party then having any designation or approval right over any Board seat, and shall have senior executive experience in the coal, mining or related industries. Board members will serve for one-year periods and will be re-elected (and in the case of the Knighthead Designee, the Solus Designee and the K&S Designee, to the extent such parties retain the right to designate such designees, re-designated by Knighthead and Solus) at an annual meeting of the holders of Units (the "***Holders***" and any holder of Units, a "***Holder***"). At any time that Knighthead or Solus no longer has the right to designate a Knighthead Designee or Solus Designee (as applicable), such party's designee shall offer to resign, which resignation may be accepted by a majority of the other members of the Board (excluding any other designee of such party). Any party or group having designation rights may cause its designee to be removed and replaced at any time; provided that in the case of the K&S Designee and the Group Designee, all parties entitled to designate such director must consent to any removal or replacement of such director. In the case of the K&S Designee, any replacement designee prior to the first annual meeting of the Holders shall be subject to the consent, not to be unreasonably withheld, of the Advisory Committee. If a vacancy on the Board of a designee results in a failure of the Board to have a quorum, then upon 10 days' notice to the person(s) entitled to appoint such designee, a majority of the remaining Board members shall constitute a quorum until such designee is appointed. In the event that no party or group has designation rights over a Board seat by virtue of such party or all members of such group having less than the applicable threshold number of Units, then such Board seat shall become an at-large seat selected by a plurality of outstanding Units voting in such election; provided that any Board member elected to such at-large seat (whether by the Holders or by the Board) shall be independent of the Company and any party then having a designation or approval right over any Board seat. Any at-large seat that is or becomes vacant may be filled by a majority of the Board until the next annual meeting of the Holders.

[14] NTD: To be equal to 10% of the Units issued on the Emergence Date.

	Any vacant seat as to which a party or group has the right to designate or approve a director to such seat shall remain open until the party or group with the right to designate such seat has designated a replacement. The right of Knighthead and Solus to designate the Knighthead Designee, the Solus Designee and the K&S Designee, as applicable, may be transferred so long as (1) the transferor is transferring to the transferee in such transaction at least the number of Units required to meet the designation or approval right threshold (provided that if the transferor transfers less than such threshold number of Units in a transaction solely as a result of the exercise of tag-along rights, the transferor still may transfer such designation rights so long as the transferee purchases at least such threshold number of Units in such transaction, including the Units purchased pursuant to the exercise of tag-along rights) and (2) the transferor elects to make such rights assignment in its sole discretion. So long as any Holder individually owns at least 15% of the outstanding Units, such Holder shall have the right to designate one Board observer.
Board Action and Consent Rights	A majority of the total number of directors then in office shall constitute a quorum, and the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. The following corporate actions will specifically require approval by a majority of the Board: • changes to organizational documents; • entry into a new line of business; • liquidation or voluntary bankruptcy filing; • merger, sale of all or substantially all assets of the Company or of any subsidiary, or consummation by the Company of another change in control transaction (a "***Sale Transaction***") or entry by the Company into any agreement providing for the same; • any issuances, redemptions or repurchases of the Company's equity, other than pursuant to employee agreements or plans providing for the issuance or repurchase of such equity; • any cash or in-kind dividends or distributions; • change in size of Board; • approval of equity incentive plans; • any registered public offering of the Company's securities; • listing of any Company securities on a national securities exchange or OTC marketplace; • registration of any Company securities under the Securities Exchange Act of 1934 (as amended, the "***Exchange Act***"); • appointment or removal of any executive officer; • incurrence of any indebtedness in excess of $5 million in one or a series of transactions (excluding ordinary course trade payables), excluding any indebtedness existing on the effective date of the Restructuring;

	• any acquisition or disposition (in one transaction or a series of related transactions) of any assets or business of the Company or of any of its subsidiaries in excess of $20 million; • entry into, or a material amendment or renewal of, any agreement, arrangement or transaction with (i) any affiliate of the Company or (ii) any owner of 5% or more of the Units, or an affiliate of such owner (such persons, "***Related Persons***"); • entry into any partnership, joint venture or other similar agreement or arrangement; • other than coal sales agreements or similar arrangements entered into or amended in the ordinary course of business consistent with past practices with persons other than Related Persons (excluding, for the avoidance of doubt, third party agency agreements, but including, for the avoidance of doubt, third-party coal brokering activities conducted in the ordinary course of business consistent with past practices), entry into, or material amendment of, any agreement or series of related agreements pursuant to which the Company or any of its subsidiaries are expected to receive or make aggregate payments in excess of $20 million; and • an annual operating and capital expenditure budget and any material changes or material deviations therefrom. The Board may act by written consent in lieu of a meeting.
Equityholder Consent Rights	The consent of the Holders of a majority of the outstanding Units is required for: • changes to organizational documents (other than any amendments that are immaterial and not adverse to any Holder); • any redemptions or repurchases of the Company's equity, other than pursuant to employee agreements or plans providing for the repurchase of such equity; provided, non-*pro rata* redemptions or repurchase of, or dividends or distributions on, the Company's equity shall require the consent of each Holder; • any registered public offering of the Company's securities; • change in size of Board; and • the consummation of a Sale Transaction. Holders may call special meetings and act by written consent. Notwithstanding the foregoing, no amendment may be made to any organizational document that is disproportionately adverse to one or more Holder relative to the other Holders on its face unless such amendment is approved by such disproportionately affected Holder or Holders.
Related Party Transactions	The Company shall not, and shall not permit any of its subsidiaries to, enter into, amend or renew an agreement, arrangement or transaction with a Related Person unless such action is approved by (i) the Board in the manner described above and (ii) the Holders of a majority of the Units, other than any Units held by the Related Person, except for (a) customary compensation or benefits arrangements with a

	director, officer or other employee of the Company or any of its subsidiaries in the ordinary course of business and (b) intercompany agreements in the ordinary course of business.
Preemptive Rights	Each Holder will, collectively with its affiliates (including any funds managed by such Holder or its affiliates), have the right to participate on a *pro rata* basis in any issuance by the Company of any equity or securities exchangeable or exercisable for or convertible into its equity except for customary excluded issuances (e.g., qualified IPO, equity issued upon the exercise of any warrants, equity incentive issuances to eligible recipients, equity issued in an acquisition or joint venture, etc.).
Transfer Restrictions	The Units will be transferrable without Company consent, subject to the following restrictions and the restrictions described below: • the number of Holders shall not exceed the number that would trigger the requirement for the Company to file with the Securities and Exchange Commission under the Exchange Act or be considered a publicly traded partnership; • in the event the Company is taxable as a partnership, customary publicly-traded-partnership related limitations; • no transfers that do not comply with U.S. federal or state securities laws or other applicable securities law; • transfers must comply with the tag-along and other rights described below; • no transfers to certain specified persons or any affiliate thereof ("***Unpermitted Transferees***"); and • transferees must become parties to the organizational documents by executing and delivering the appropriate joinders and certificate of transfer. The Board may periodically update the list of Unpermitted Transferees by adding current or potential competitors to the Company as determined by the Board in good faith.
Mandatory Offer to Purchase in Connection with a Change-in-Control	In the event that (i) any person (other than Knighthead and Solus) agrees to acquire any Units and following such acquisition such person would beneficially own more than 50% of the outstanding Units or (ii) if either Knighthead or Solus agrees to acquire any Units and following such acquisition such person would beneficially own more than 60% of the outstanding Units (each of (i) and (ii) above, a "***Triggering Acquisition***"), such person (the "***Prospective Majority Holder***") shall be required, as a condition precedent to the closing of such Triggering Acquisition, to make an offer to purchase (in the same form or option as to form of consideration as contemplated in the agreement for the Triggering Acquisition) 100% of the outstanding Units at a price equal to the greater of (x) the per-Unit consideration proposed to be paid by the Prospective Majority Holder in the Triggering Acquisition, (y) the average per-Unit consideration paid by such Prospective Majority Holder for the most recently purchased 5% of the outstanding Units prior to such proposed Triggering Acquisition (if any) and (z) the average per-Unit consideration paid (or proposed to be paid) by such Prospective Majority Holder for

	the aggregate number of Units it purchased in the 12-month period prior to such proposed Triggering Acquisition (if any) and the Units proposed to be purchased in the Triggering Acquisition. For the avoidance of doubt, the receipt of Units pursuant to the Plan shall not be considered to be a purchase for purposes of clauses (y) and (z) of this section. Unless and until the closing of such offer to purchase, no Triggering Acquisition shall be recognized by the Company.
Drag-Along Rights	By written request of a majority of the outstanding Units (the "***Dragging Holders***"), all Holders shall be required to sell their Units in a proposed *bona fide* change-in-control transaction that (whether in one or a series of transactions) would result in a transferee (other than an existing Holder or an affiliate thereof) holding 60% or more of the outstanding Units, on the same terms and the same per-interest consideration as the Dragging Holders and, if a Holder vote is required, vote in favor of such transaction and waive all appraisal or dissenter rights in connection therewith, subject to customary conditions.
Information Rights	The Company shall post the following information to an electronic data room accessible by all Holders and shall host quarterly earnings calls, in each case, subject to customary confidentiality restrictions: • Not later than 90 days after the end of each fiscal year, (i) a report of the business, operations, and finances of the Company during the prior fiscal year that includes audited consolidated financial statements prepared by an auditor, (ii) annual operating results, (iii) environmental reports, and (iv) health and safety reports; • Within 45 days after the end of each quarter (other than the end of each fiscal year), (i) unaudited consolidated financial statements prepared by the Company according to GAAP and (ii) quarterly operating results, environmental reports, and health and safety reports; and • Within fifteen business days after the close of each calendar month, a report of the business and operations of the Company for such calendar month and year to date which shall contain (i) unaudited consolidated financial statements prepared by the Company according to GAAP, including 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 operating results (including year to date information); and (iii) such other information as in the judgment of the Board shall be reasonably necessary for the Holders to be advised of the results of the Company's operations and its financial condition. A Holder seeking to transfer their Units may share the information described above with a potential transferee, provided that (1) such potential transferee executes a customary non-disclosure agreement with such Holder, which non-disclosure agreement shall provide that such potential transferee agrees to be bound by the confidentiality provisions applicable to such Holder in its capacity as

	a holder of Units and (2) such potential transferee is not, and warrants to such Holder that it is not, an Unpermitted Transferee. In addition, subject to reasonable limitations and requirements set by the Board, a Holder that owns at least 5% of the outstanding Units is entitled to such other financial and operating data of the Company as is reasonably requested from time to time by such Holder.
Registration Rights	Customary post-IPO registration rights.
Termination	Upon the closing of an IPO that will raise at least $75 million in gross offering proceeds, the Board designation rights, transfer restrictions, tag rights, drag rights and all special rights provisions in the organizational documents will terminate other than the registration rights provisions.

Exhibit D to the Restructuring Support Agreement

PCC Note Term Sheet

TERM SHEET REGARDING TREATMENT OF UNSECURED NOTE IN FAVOR OF PCC LIQUIDATING TRUST

*This nonbinding term sheet (this "**Term Sheet**") describes terms of proposed treatment of that certain Unsecured Promissory Note (the "**PCC Note**") dated October 28, 2015, among Black Blackhawk Mining LLC ("**Blackhawk Mining**" or the "**Company**") as Payor and PCC Liquidating Trust (the "**Trust**") as Payee in a restructuring (the "**Restructuring**") of the Company on the terms contemplated herein. This Term Sheet does not include a description of all the relevant terms and conditions of such treatment or the Restructuring and none of the parties shall be required to consummate the Restructuring, whether on the terms set forth herein or otherwise, unless and until the definitive agreements in respect of the restructuring are fully executed and delivered by the parties. This Term Sheet is proffered in the nature of a settlement proposal in furtherance of settlement discussions and is intended to be entitled to the protections of Rule 408 of the Federal Rules of Evidence and all other applicable statutes or doctrines protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions.*

Treatment of PCC Note	Pursuant to a prepackaged chapter 11 plan of reorganization (the "**Plan**") with respect to the Company, the Trust shall receive no later than the effective date of the Plan a distribution of $500,000.00. In addition, the settlement between the Trust and the Company regarding the treatment of the Company's administrative claim in Patriot Coal Corporation's ("**Patriot**") bankruptcy case shall be amended in the limited manner to reflect that no payment of any kind is to be made by the Trust to the Company, including, without limitation, the payment of the $100,000 originally contemplated thereunder. The occurrence of the foregoing events will be in full satisfaction of all claims under the PCC Note, which shall be cancelled in full pursuant to the Plan.
Conditions Precedent	The terms and conditions of this Term Sheet shall be subject to: • The Trust's receipt and approval of a liquidation analysis of the Company acceptable to the Trust; • The Trust's receipt and approval of an analysis of the inter-company obligations owed by and between the Company and its subsidiaries and affiliates; • The negotiation and execution of a Restructuring Support Agreement by and between the Company, its lenders and the Trust (the, "**Support Agreement**"); and • The confirmation of the Plan no later than September 15, 2019 and the effective date of the plan no later than October 15, 2019.
Support of PCC	Pursuant to the Support Agreement, the Trust and the trustee thereunder agree to timely vote or cause to be voted the Trust's claims with respect to the PCC Note and any other claims that it holds against the Company

Liquidating Trust	to accept a Plan that provides for the treatment of the PCC Note and the Trust that is consistent with the final executed documents in connection with this Term Sheet by delivering a duly executed and completed ballot or ballots on a timely basis.
Mutual Release	The Plan shall include customary release, discharge, exculpation, and injunctive provisions. The Trust and its affiliates, including the original debtor entities, shall be included as released parties thereunder. The Trust and trustee thereunder agree to consent to and, if applicable, not opt out of, the releases set forth in the Plan against each released party thereunder, when voting in favor of the Plan.

Exhibit E to the Restructuring Support Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this "Joinder") to the Restructuring Support Agreement (the "Agreement"), dated as of July 15, 2019, by and among: (i) Blackhawk Mining, LLC together with certain of their direct and indirect subsidiaries (collectively, the "Company"); (ii) the Consenting First Lien Lenders; (iii) the Consenting Second Lien Lenders, and (iv) Potter, is executed and delivered by [_____] (the "Joining Party") as of [_____]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Restructuring Support Parties.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the First Lien Claims and/or Second Lien Claims identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 21 of the Agreement to each other Party.

3. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile:
Email:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

_____

By:
Name:
Title:

Principal Amount of First Lien Claims: $_____

Principal Amount of Second Lien Claims: $_____

Notice Address:

Fax:
Attention:
Email:

Annex 1 to the Form of Transferee Joinder

Exhibit F to the Restructuring Support Agreement

DIP Commitments

DIP Term Loan Commitment Parties

Knighthead Capital Management, LLC, solely on behalf of certain funds and accounts it manages and/or advises that have signed the Agreement
Redwood Capital Management, LLC, solely on behalf of certain funds and accounts it manages and/or advises that have signed the Agreement
Solus Alternative Asset Management LP, solely on behalf of certain funds and accounts it manages and/or advises that have signed the Agreement
Biwa Fund Limited
Blackstone Alternative Multi Strategy Sub Fund IV L.L.C.
Canyon Capital Advisors LLC (on behalf of its participating funds and/or accounts)
Canyon Partners Real Estate LLC (on behalf of its participating funds and/or accounts)
Caspian Focused Opportunities Fund, L.P.
Caspian HLSC1, LLC
Caspian SC Holdings, L.P.
Caspian Select Credit Master Fund, Ltd.
Caspian Solitude Master Fund, L.P.
CPPIB Canada Inc.
CPPIB Credit Investments Inc.
CQS ACS Fund, a sub-fund of CQS Global Funds ICAV
CQS Aiguille Du Chardonnet MF S.C.A. SICAV-SIF
CQS Credit Multi Asset Fund, a sub-fund of CQS Global Funds (Ireland) Limited
Essex Equity High Income Joint Investment Vehicle, LLC
Essex Equity Joint Investment Vehicle, LLC
Gracechurch Loans Fund, a sub-fund of CQS Global Funds (Ireland) Limited
Gracechurch Opportunities Fund Limited
J.H. Lane Partners Master Fund, LP
Jefferies Leveraged Credit Products, LLC
Mercer Multi-Asset Credit Fund, a sub-fund of Mercer QIF Fund PLC
Richmond Hill Capital Partners, LP
Richmond Hill Investment Co., LP
Richmond Hill Investments, LLC
Super Caspian Cayman Fund Limited
York Global Finance BDH, LLC

Exhibit C

Patriot Unsecured Note Settlement

Execution Version

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, and including the exhibits hereto, this "Agreement"), dated as of July 15, 2019, is entered into by Blackhawk Mining LLC, together with certain of its direct and indirect subsidiaries (collectively, the "Company") and the trustee (the "Trustee") of the PCC Liquidating Trust (the "Trust") (each, a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS, the Company and the Trustee have engaged in good faith, arm's-length negotiations regarding the treatment of that certain Unsecured Promissory Note (the "PCC Note"), dated as of October 28, 2015, among the Company as Payor and the Trust, in the Plan (as defined below) on terms consistent with the term sheet attached hereto as **Exhibit A** (the "Term Sheet").[1]

WHEREAS, it is anticipated that certain restructuring transactions (the "Restructuring Transactions") will be implemented through jointly administered voluntary cases commenced by the Company (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the, "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), pursuant to a joint prepackaged plan of reorganization for the Company (the "Plan"), which Plan shall be (i) consistent in all material respects with the terms of this Agreement and the Term Sheet and otherwise, solely with respect to provisions relating to the treatment of the Trustee or affiliates thereof, in form and substance reasonably acceptable to the Trustee and (ii) filed by the Company in the Chapter 11 Cases;

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

AGREEMENT

1. **Definitions**. The following terms shall have the following definitions:

"Agreement Effective Date" means the date upon which this Agreement shall become effective and binding upon each of the Parties pursuant to the terms of Section 2 hereof.

"Alternative Transaction" means any dissolution, winding up, liquidation, reorganization, recapitalization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets (other than in ordinary course sales or sales of *de minimis* assets), financing (debt or equity), plan proposal, or restructuring of the Company, other than the Restructuring Transactions.

[1] Unless otherwise noted, capitalized terms used but not immediately defined have the meanings ascribed to such terms elsewhere in this Agreement or in the Term Sheet (including any exhibits thereto), as applicable.

"Definitive Documentation" means any and all definitive documents and agreements necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan.

"Disclosure Statement" means the disclosure statement (and all exhibits thereto) with respect to the Plan.

"First Lien Claims" means claims outstanding under the First Lien Loan Documents.

"First Lien Credit Agreement" means that certain First Lien Term Loan Credit Agreement, dated as of February 17, 2017, as amended, restated, modified, or supplemented from time to time in accordance with its terms, by and among Blackhawk Mining LLC, as borrower, each of the guarantors party thereto, Cantor Fitzgerald Securities, as successor administrative agent, and the First Lien Lenders.

"First Lien Lenders" means the lenders party to the First Lien Credit Agreement.

"First Lien Loan Documents" means, collectively, the First Lien Credit Agreement, security agreement, intercreditor agreement, and any other collateral and ancillary documents, including any forbearance agreements, as amended, restated, modified, or supplemented from time to time in accordance with their terms.

"RSA" means that certain Restructuring Support Agreement, dated as of June [_], 2019, by and among the Debtors and the holders of First Lien Claims and Second Lien Claims party thereto, and John Mitchell Potter.

"Second Lien Claims" means claims outstanding under the Second Lien Loan Documents.

"Second Lien Credit Agreement" means that certain Second Lien Term Loan Credit Agreement, dated as of October 28, 2015, as amended, restated, modified, or supplemented from time to time in accordance with its terms, by and among, Blackhawk Mining LLC, as borrower, each of the guarantors party thereto, Cortland Capital Market Services LLC, as administrative agent, in its capacity as administrative agent, and the Second Lien Lenders.

"Second Lien Lenders" means the lenders party to the Second Lien Credit Agreement.

"Second Lien Loan Documents" means, collectively, the Second Lien Credit Agreement and any letter of credit documentation, security agreement, intercreditor agreement, and any other collateral and ancillary documents, including any forbearance agreements, as amended, restated, modified, or supplemented from time to time in accordance with their terms.

"Termination Date" means the date on which termination of this Agreement is effective.

Unless otherwise specified, references in this Agreement to any Section or clause refer to such Section or clause as contained in this Agreement. The words "herein," "hereof," and "hereunder" and other words of similar import in this Agreement refer to this Agreement as a whole, and not to any particular Section or clause contained in this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and

the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter genders. The words "including," "includes," and "include" shall each be deemed to be followed by the words "without limitation". Wherever the consent or the written consent of a Party is required, the other Party may rely on email correspondence from counsel to such Party.

2. **Agreement Effective Date**. The Agreement Effective Date shall occur immediately upon delivery to the Parties of executed and released signature pages for this Agreement from the Company and the Trustee. Upon the Agreement Effective Date, this Agreement shall be deemed effective and thereafter the terms and conditions herein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 23 hereof.

3. **Term Sheet**. The Term Sheet is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the Term Sheet. In the event of any inconsistency between this Agreement (excluding the Term Sheet) and the Term Sheet, the Term Sheet shall govern.

4. **Consent to Treatment**. The Trustee hereby consents, pursuant to section 1123(a)(4) of the Bankruptcy Code, to the treatment of the PCC Note in the Plan and the Restructuring Transactions that is consistent with the Term Sheet. If this Agreement is terminated in accordance with its terms prior to the effective date of the Plan, such consent shall be null and void *ab initio*, shall not be considered or otherwise used or relied upon in any manner by the Parties in connection with the Restructuring Transactions, the Plan, this Agreement, or any other plan, motion or other transaction that is filed or pursued in the Chapter 11 Cases that does not incorporate the terms of the Term Sheet. Nothing contained herein shall limit (i) the ability of the Trustee to consult with the Company, the First Lien Lenders, the Second Lien Lenders, unsecured creditors or other parties in interest in the Chapter 11 Cases or (ii) the rights of the Trustee to appear as a party in interest in any matter arising in the Chapter 11 Cases, in each case, so long as such activities are consistent with the Trustee's obligations hereunder or under the terms of the Term Sheet and are not intended or reasonably likely to hinder, delay or prevent confirmation or the consummation of the Restructuring Transaction.

5. **Commitment of the Trustee**. The Trustee shall from the Agreement Effective Date until the occurrence of the Termination Date:

(a) not seek, support, or solicit an Alternative Transaction;

(b) use commercially reasonable efforts to support, and not object to, or materially delay or impede, or take any other action to materially interfere, directly or indirectly, with the Restructuring Transactions or the Plan;

(c) not file or support any motion or pleading with the Bankruptcy Court that is not materially consistent with this Agreement; and

(d) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions,

negotiate in good faith appropriate additional or alternative provisions to address any such impediment.

6. **Commitment of the Company**. The Company shall, from the Agreement Effective Date until the occurrence of the Termination Date (a) diligently pursue confirmation of a Plan that provides for the treatment of the PCC Note and the releases and other terms included in the Term Sheet; and (b) not take any action that is inconsistent with the Term Sheet or this Agreement.

7. **The Trustee Termination Events**. The Trustee shall have the right, but not the obligation, upon notice to the Company provided in accordance with Section 21 hereof, to terminate this Agreement upon the occurrence of any of the following events, unless waived, in writing, by the Trustee on a prospective or retroactive basis:

(a) the occurrence of a material breach of this Agreement by the Company, which shall include the pursuit of an Alternative Transaction, that has not been cured (if susceptible to cure) before five business days after written notice to the Company in accordance with Section 21 hereof of such material breach;

(b) the RSA is terminated;

(c) a Plan that is consistent with the Term Sheet is not confirmed by September 30, 2019;

(d) the effective date of a Plan that is consistent with the Term Sheet has not occurred by October 30, 2019; or

(e) the Bankruptcy Court enters an order appointing a trustee in the Bankruptcy cases.

8. **The Company's Termination Events**. The Company shall have the right, but not the obligation, upon notice to the Trustee provided in accordance with Section 21 hereof, to terminate this Agreement as to both Parties upon the occurrence of any of the following events, unless waived, in writing, by the Company on a prospective or retroactive basis:

(a) the occurrence of a material breach of this Agreement by the Trustee that has not been cured (if susceptible to cure) before five business days after written notice to the Trustee in accordance with Section 21 hereof of such material breach; or

(b) upon written notice to the Trustee delivered in accordance with Section 21 hereof that the Board of Managers of the Company has determined in good faith, after consultation with outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 12 hereof.

9. **Mutual Termination; Automatic Termination**.

(a) This Agreement and the obligations of both Parties hereunder may be terminated by mutual written agreement by and among Blackhawk Mining LLC, on behalf of the Company, and the Trustee.

(b) Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the effective date of the Plan.

10. **Automatic Stay**. The Company acknowledges and agrees and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of termination of this Agreement by the Trustee pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the fullest extent permitted by law, the applicability of the automatic stay to the giving of such notice); *provided, however*, that nothing herein shall prejudice either Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

11. **Effect of Termination**. Upon the termination of this Agreement, this Agreement shall be of no further force or effect with respect to either Party, and each Party shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement, (b) have the rights and remedies that it would have had, had it not entered into this Agreement, and (c) be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement. The termination of this Agreement shall not relieve or absolve either Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement. Notwithstanding anything to the contrary in this Agreement, the foregoing shall not be construed to prohibit either Party from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before the Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right or ability of either Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against the other Party.[2]

12. **Fiduciary Duties.** Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company, or any directors, officers, or employees of the Company (in such person's capacity as a director, officer, or employee) to take any action, or to refrain from taking any action, to the extent that the Company's Board of Managers determines in good faith, after consultation with outside counsel, that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement. The Company, in its sole discretion, may (but shall not be required to) terminate this Agreement in accordance with Section 8(b) hereof, and specific performance shall not be

[2] **NTD:** Voting provision is not applicable because Trustee is not voting on the Plan.

available as a remedy if this Agreement is terminated in accordance with this Section 12 and Section 8(b) hereof.

13. **Consents and Acknowledgments**. Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Plan for purposes of sections 1125, 1126, and 1127 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code.

14. **Representations and Warranties**.

(a) The Trustee hereby represents and warrants that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) the execution and delivery by it of this Agreement does not violate its certificates of incorporation, or bylaws, or other organizational documents;

(iv) the execution, delivery, and performance by it of this Agreement does not require any registration with any federal, state, or other governmental authority or regulatory body;

(v) this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability; and

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

(b) Each Company entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than each Company entity) that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including approval of each of the independent directors of each of the corporate entities that comprise the Company;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Company undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution and delivery by it of this Agreement does not require any registration or filing with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory bodies required in connection with implementation of the Restructuring Transactions;

(v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this

Agreement and otherwise investigated this matter to its full satisfaction; and

(vii) The Required Lenders as defined in each of the First Lien Credit Agreement and Second Lien Credit Agreement have represented to the Company that such Required Lenders consent to, and will not oppose or object to, the treatment of the PCC Note and the releases set forth in the Term Sheet as part of any Plan.

15. **Relationship Among Parties**. Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint; (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company, the Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended, and no action taken by either Party pursuant to this Agreement shall be deemed to create a presumption that the Parties are, in any way, acting as a "group"; and (v) the Trustee shall not have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to the Company or any of the Company's other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated hereby.

16. **Remedies**. It is understood and agreed by the Parties that money damages is an insufficient remedy for any breach of this Agreement by either Party and the non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring the other Party to comply promptly with any of its obligations hereunder. The Parties agree that such injunctive or equitable relief will be their only remedy against the applicable breaching Party with respect to any such breach, and that in no event will either Party be liable for monetary damages under or in connection with this Agreement.

17. **Governing Law & Jurisdiction**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, may be brought in the United States District Court for the Southern District of New York, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or

in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

18. **Waiver of Right to Trial by Jury**. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between the Parties arising out of, connected with, relating to, or incidental to the relationship established between them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

19. **Successors and Assigns**. This Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives.

20. **No Third-Party Beneficiaries**. This Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

21. **Notices**. All notices (including any notice of termination or breach) and other communications from either Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Party at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to the other Party.

(a) If to the Company:

Blackhawk Mining, LLC
3228 Summit Square Place
Suite 180
Lexington, Kentucky 40509
Attn: Jesse Parrish
Email: jparrish@blackhawkmining.com

With a copy to:

Potter Anderson Corroon LLP
1313 North Market Street, 6th Floor
P.O. Box 951
Wilmington, Delaware 19801-6108
Attn: Mark A. Morton
Christopher M. Samis
L. Katherine Good
Email: mmorton@potteranderson.com
csamis@potteranderson.com
kgood@potteranderson.com

- and -

Davis Polk & Wardwell LLP
450 Lexington Ave
New York, New York 10017
Attn: Brian M. Resnick
Dylan A. Consla
Email: brian.resnick@davispolk.com
dylan.consla@davispolk.com

(b) If to the Trustee:

Eugene I. Davis
C/O Kutak Rock LLP
901 East Byrd Street
Suite 1000
Richmond, Virginia 23219
Attn: Michael A. Condyles
Email: michael.condyles@kutakrock.com

With a copy to:

Kutak Rock LLP
901 East Byrd Street
Suite 1000
Richmond, Virginia 23219
Attn: Michael A. Condyles
Email: michael.condyles@kutakrock.com

22. **Entire Agreement**. This Agreement (including any exhibits) constitutes the entire agreement of the Parties with respect to the subject matter of the treatment of the PCC Note in any Plan, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of the treatment of the PCC Note in any Plan.

23. **Amendments**. Except as otherwise provided herein, this Agreement (including the Term Sheet) may not be modified, amended, or supplemented without the prior written consent of the Company and the Trustee.

24. **Reservation of Rights**. Subject to and except as expressly provided in this Agreement or in any amendment thereof agreed upon by the Parties pursuant to the terms hereof, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including its claims against the other Party (or its respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. Without limiting the foregoing sentence in any way, if the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, nothing in this Agreement shall be construed as a waiver by either Party of any or all of such Party's rights, remedies, claims and defenses, and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. This Agreement shall in no event be construed as, or be

deemed to be, evidence of an admission or concession on the part of either Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

25. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

26. **Disclosures**. This Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among the Parties as of the date hereof; *provided*, *however*, that after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement without the express written consent of the other Party.

27. **Headings**. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

28. **Interpretation**. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against either Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

29. **Computation of Time**. Rule 9006(a) of the Federal Rules of Bankruptcy Procedure applies in computing any period of time prescribed or allowed herein only to the extent such period of time governs a milestone pertaining to the entry of an order by the Bankruptcy Court in the Chapter 11 Cases.

[*Signatures and exhibits follow*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

BLACKHAWK MINING LLC
BHM-WV, LLC
BLACK OAK MINING, LLC
BLACKHAWK COAL SALES, LLC
BLACKHAWK LAND AND RESOURCES, LLC
BLACKHAWK RIVER LOGISTICS, LLC
BLUE CREEK MINING, LLC
BLUE DIAMOND MINING, LLC
CAMPBELL'S CREEK MINING, LLC
EAGLE SHIELD, LLC
FANCO PLANT LOADOUT, LLC
FCDC COAL, INC.
GATEWAY EAGLE MINING, LLC
GUYANDOTTE MINING, LLC
HAMPDEN COAL, LLC
KANAWHA EAGLE MINING, LLC
LOGAN & KANAWHA, LLC
PANTHER CREEK MINING, LLC
PINE BRANCH LAND, LLC
PINE BRANCH MINING, LLC
PINE BRANCH RESOURCES, LLC
REDHAWK MINING, LLC
ROCK LICK PREP PLANT, LLC
ROCKWELL MINING, LLC
SPRUCE PINE LAND COMPANY
SPURLOCK MINING, LLC
TRIAD MINING, LLC
TRIAD TRUCKING, LLC
WELL PREP PLANT, LLC

By: _____
Name: Jesse Parrish
Title: Chief Financial Officer

PCC Liquidating Trust

By: _____
Name: Eugene I. Davis
Title: Trustee

Exhibit A to the Restructuring Support Agreement

Term Sheet

TERM SHEET REGARDING TREATMENT OF UNSECURED NOTE IN FAVOR OF PCC LIQUIDATING TRUST

*This nonbinding term sheet (this "**Term Sheet**") describes terms of proposed treatment of that certain Unsecured Promissory Note (the "**PCC Note**") dated October 28, 2015, among Black Blackhawk Mining LLC ("**Blackhawk Mining**" or the "**Company**") as Payor and PCC Liquidating Trust (the "**Trust**") as Payee in a restructuring (the "**Restructuring**") of the Company on the terms contemplated herein. This Term Sheet does not include a description of all the relevant terms and conditions of such treatment or the Restructuring and none of the parties shall be required to consummate the Restructuring, whether on the terms set forth herein or otherwise, unless and until the definitive agreements in respect of the restructuring are fully executed and delivered by the parties. This Term Sheet is proffered in the nature of a settlement proposal in furtherance of settlement discussions and is intended to be entitled to the protections of Rule 408 of the Federal Rules of Evidence and all other applicable statutes or doctrines protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions.*

Treatment of PCC Note	Pursuant to a prepackaged chapter 11 plan of reorganization (the "**Plan**") with respect to the Company, the Trust shall receive no later than the effective date of the Plan a distribution of $500,000.00. In addition, the settlement between the Trust and the Company regarding the treatment of the Company's administrative claim in Patriot Coal Corporation's ("**Patriot**") bankruptcy case shall be amended in the limited manner to reflect that no payment of any kind is to be made by the Trust to the Company, including, without limitation, the payment of the $100,000 originally contemplated thereunder. The occurrence of the foregoing events will be in full satisfaction of all claims under the PCC Note, which shall be cancelled in full pursuant to the Plan.
Conditions Precedent	The terms and conditions of this Term Sheet shall be subject to: • The Trust's receipt and approval of a liquidation analysis of the Company acceptable to the Trust; • The Trust's receipt and approval of an analysis of the inter-company obligations owed by and between the Company and its subsidiaries and affiliates; • The negotiation and execution of a Restructuring Support Agreement by and between the Company, its lenders and the Trust (the, "**Support Agreement**"); and • The confirmation of the Plan no later than September 15, 2019 and the effective date of the plan no later than October 15, 2019.
Support of PCC	Pursuant to the Support Agreement, the Trust and the trustee thereunder agree to timely vote or cause to be voted the Trust's claims with respect to the PCC Note and any other claims that it holds against the Company

Liquidating Trust	to accept a Plan that provides for the treatment of the PCC Note and the Trust that is consistent with the final executed documents in connection with this Term Sheet by delivering a duly executed and completed ballot or ballots on a timely basis.
Mutual Release	The Plan shall include customary release, discharge, exculpation, and injunctive provisions. The Trust and its affiliates, including the original debtor entities, shall be included as released parties thereunder. The Trust and trustee thereunder agree to consent to and, if applicable, not opt out of, the releases set forth in the Plan against each released party thereunder, when voting in favor of the Plan.