

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 1 to

FORM T-3

**FOR APPLICATIONS FOR QUALIFICATION OF INDENTURES
UNDER THE TRUST INDENTURE ACT OF 1939**



Arch Coal, Inc.

and the

co-applicants listed on the following pages
(Name of applicants)

**One CityPlace Drive, Ste. 300
St. Louis, Missouri 63141**
(Address of principal executive offices)

Securities to be Issued Under the Indenture to be Qualified

Title of Class	Amount
8.000% Senior Secured Notes due 2022	Up to \$184,223,600 aggregate principal amount(1)

Approximate date of proposed public offering: **Such securities are expected to be issued as soon as practicable after the effective date of this Application for Qualification**

Name and address of agent for service:

**Robert G. Jones
Senior Vice President—Law, General Counsel and Secretary
Arch Coal, Inc.
One CityPlace Drive, Ste. 300
St. Louis, Missouri 63141**

With a copy to:

**Michael Kaplan, Esq.
Byron B. Rooney, Esq.
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
(212) 450-4000**

The Company hereby amends this application for qualification on such date or dates as may be necessary to delay its effectiveness until: (i) the 20th day after the filing of an amendment which specifically states that it shall supersede this application, or (ii) such date as the Commission, acting pursuant to Section 307(c) of the Trust Indenture Act of 1939, may determine upon written request.

(1) Includes 8.000% Senior Secured Notes due 2022 to be issued in transactions exempt from registration under the Securities Act of 1933 as amended (the "Securities Act"), pursuant to the provisions of Section 3(a)(9) of the Securities Act. The amount of 8.000% Senior Secured Notes due 2022 to be issued in such transactions in reliance upon Section 3(a)(9) of the Securities Act may be less than \$184,223,600. Does not include 8.000% Senior Secured Notes due 2022 that may be issued in transactions exempt from qualification under the Trust Indenture Act, including any issuance in transactions exempt from registration under the Securities Act pursuant to the provisions of Section 4(a)(2) of the Securities Act.

The following direct and indirect subsidiaries of Arch Coal, Inc. are guarantors of the 8.000% Senior Secured Notes due 2022 and are co-applicants on this Form T-3.

Name of Co-Applicant	Jurisdiction of Incorporation or Organization
ACI Terminal, LLC	Delaware
Allegheny Land Company	Delaware
Arch Coal Sales Company, Inc.	Delaware
Arch Coal West, LLC	Delaware
Arch Development, LLC	Delaware
Arch Energy Resources, LLC	Delaware
Arch Reclamation Services, Inc.	Delaware
Arch Western Acquisition Corporation	Delaware
Arch Western Acquisition, LLC	Delaware
Arch Western Bituminous Group, LLC	Delaware
Arch Western Finance, LLC	Delaware
Arch Western Resources, LLC	Delaware
Arch Of Wyoming, LLC	Delaware
Ark Land Company	Delaware
Ark Land KH, Inc.	Delaware
Ark Land LT, Inc.	Delaware
Ark Land WR, Inc.	Delaware
Ashland Terminal, Inc.	Delaware
Bronco Mining Company, Inc.	West Virginia
Catenary Coal Holdings, Inc.	Delaware
Coal-Mac, Inc.	Kentucky
CoalQuest Development LLC	Delaware
Cumberland River Coal Company	Delaware
Hawthorne Coal Company, Inc.	West Virginia
Hunter Ridge, Inc.	Delaware
Hunter Ridge Coal Company	Delaware
Hunter Ridge Holdings, Inc.	Delaware
ICG, Inc.	Delaware
ICG, LLC	Delaware
ICG Beckley, LLC	Delaware
ICG East Kentucky, LLC	Delaware
ICG Eastern, LLC	Delaware
ICG Eastern Land, LLC	Delaware
ICG Illinois, LLC	Delaware
ICG Knott County, LLC	Delaware
ICG Natural Resources, LLC	Delaware
ICG Tygart Valley, LLC	Delaware
International Coal Group, Inc.	Delaware
Juliana Mining Company, Inc.	West Virginia
King Knob Coal Co., Inc.	West Virginia
Lone Mountain Processing, Inc.	Delaware
Marine Coal Sales Company	Delaware
Melrose Coal Company, Inc.	West Virginia
Mingo Logan Coal Company	Delaware
Mountain Coal Company, L.L.C.	Delaware
Mountain Gem Land, Inc.	West Virginia
Mountain Mining, Inc.	Delaware
Mountaineer Land Company	Delaware
Otter Creek Coal, LLC	Delaware
Patriot Mining Company, Inc.	West Virginia
Powell Mountain Energy, LLC	Delaware
Prairie Holdings, Inc.	Delaware
Shelby Run Mining Company, LLC	Delaware

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Name of Co-Applicant	Jurisdiction of Incorporation or Organization
Simba Group, Inc.	Delaware
Thunder Basin Coal Company, L.L.C.	Delaware
Triton Coal Company, L.L.C.	Delaware
Upshur Property, Inc.	Delaware
Vindex Energy Corporation	West Virginia
Western Energy Resources, Inc.	Delaware
White Wolf Energy, Inc.	Virginia
Wolf Run Mining Company	West Virginia

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EXPLANATORY NOTE

This Amendment No. 1 to Form T-3 (this “Amendment”) is being filed to update, and add to, the list of exhibits attached to the Amendment. This Amendment is not intended to amend or delete any other part of the Form T-3.

GENERAL

1. General Information

<u>Name of Applicant</u>	<u>Form of Organization</u>	<u>State of Organization</u>
Arch Coal, Inc.	Corporation	Delaware
ACI Terminal, LLC	Limited Liability Company	Delaware
Allegheny Land Company	Corporation	Delaware
Arch Coal Sales Company, Inc.	Corporation	Delaware
Arch Coal West, LLC	Limited Liability Company	Delaware
Arch Development, LLC	Limited Liability Company	Delaware
Arch Energy Resources, LLC	Limited Liability Company	Delaware
Arch Reclamation Services, Inc.	Corporation	Delaware
Arch Western Acquisition Corporation	Corporation	Delaware
Arch Western Acquisition, LLC	Limited Liability Company	Delaware
Arch Western Bituminous Group, LLC	Limited Liability Company	Delaware
Arch Western Finance, LLC	Limited Liability Company	Delaware
Arch Western Resources, LLC	Limited Liability Company	Delaware
Arch Of Wyoming, LLC	Limited Liability Company	Delaware
Ark Land Company	Corporation	Delaware
Ark Land KH, Inc.	Corporation	Delaware
Ark Land LT, Inc.	Corporation	Delaware
Ark Land WR, Inc.	Corporation	Delaware
Ashland Terminal, Inc.	Corporation	Delaware
Bronco Mining Company, Inc.	Corporation	West Virginia
Catenary Coal Holdings, Inc.	Corporation	Delaware
Coal-Mac, Inc.	Corporation	Kentucky
CoalQuest Development LLC	Limited Liability Company	Delaware
Cumberland River Coal Company	Corporation	Delaware
Hawthorne Coal Company, Inc.	Corporation	West Virginia
Hunter Ridge, Inc.	Corporation	Delaware
Hunter Ridge Coal Company	Corporation	Delaware
Hunter Ridge Holdings, Inc.	Corporation	Delaware
ICG, Inc.	Corporation	Delaware
ICG, LLC	Limited Liability Company	Delaware
ICG Beckley, LLC	Limited Liability Company	Delaware
ICG East Kentucky, LLC	Limited Liability Company	Delaware
ICG Eastern, LLC	Limited Liability Company	Delaware
ICG Eastern Land, LLC	Limited Liability Company	Delaware
ICG Illinois, LLC	Limited Liability Company	Delaware
ICG Knott County, LLC	Limited Liability Company	Delaware
ICG Natural Resources, LLC	Limited Liability Company	Delaware
ICG Tygart Valley, LLC	Limited Liability Company	Delaware
International Coal Group, Inc.	Corporation	Delaware
Juliana Mining Company, Inc.	Corporation	West Virginia
King Knob Coal Co., Inc.	Corporation	West Virginia
Lone Mountain Processing, Inc.	Corporation	Delaware
Marine Coal Sales Company	Corporation	Delaware
Melrose Coal Company, Inc.	Corporation	West Virginia

Mingo Logan Coal Company	Corporation	Delaware
Mountain Coal Company, L.L.C.	Limited Liability Company	Delaware
Mountain Gem Land, Inc.	Corporation	West Virginia
Mountain Mining, Inc.	Corporation	Delaware
Mountaineer Land Company	Corporation	Delaware
Otter Creek Coal, LLC	Limited Liability Company	Delaware

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Name of Applicant	Form of Organization	State of Organization
Patriot Mining Company, Inc.	Corporation	West Virginia
Powell Mountain Energy, LLC	Limited Liability Company	Delaware
Prairie Holdings, Inc.	Corporation	Delaware
Shelby Run Mining Company, LLC	Limited Liability Company	Delaware
Simba Group, Inc.	Corporation	Delaware
Thunder Basin Coal Company, L.L.C.	Limited Liability Company	Delaware
Triton Coal Company, L.L.C.	Limited Liability Company	Delaware
Upshur Property, Inc.	Corporation	Delaware
Vindex Energy Corporation	Corporation	West Virginia
Western Energy Resources, Inc.	Corporation	Delaware
White Wolf Energy, Inc.	Corporation	Virginia
Wolf Run Mining Company	Corporation	West Virginia

Except for Arch Coal, Inc. (the “Company”), each of the foregoing entities shall be referred to herein collectively as the “Guarantors.” The Company and the Guarantors shall be referred to collectively as the “Applicants.”

2. Securities Act Exemption Applicable

On or promptly after the date of the Application for Qualification on Form T-3 (the “Application”), the Company intends to offer new 8.000% Senior Secured Notes due 2022 (the “New Notes”) in exchange for the Company’s outstanding 7.25% Senior Notes due 2020 (the “Old Notes”) which are held by holders of the Old Notes (“Holders”) who are not “qualified institutional buyers” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) and the rules and regulations thereunder and “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder (each such person, an “Eligible Holder”). The Company is offering, for each \$1,000 of a Holder’s Old Notes, to exchange (i) \$837.38 of the New Notes, (ii) a cash payment of 50% of the total amount of accrued and unpaid interest on the Old Notes from and including the prior interest payment date to, but excluding, the applicable closing date of the exchange (the “Interest Payment”), and (iii) a cash payment (the “Cash Payment”) of \$60 if the Holder agrees to an exchange and executes an exchange agreement by 5:00 p.m. July 17, 2015, or \$30 if the Holder agrees to exchange and execute an exchange agreement thereafter but prior to midnight New York City time at the end of July 31, 2015. The Company calls this transaction the “Exchange Transaction.”

In connection with the Exchange Transaction, the Company is requesting that Holders consent to certain proposed amendments to the indenture, dated as of August 9, 2010, as supplemented by a first supplemental indenture dated as of August 9, 2010 by and among the Company, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, governing the Old Notes (the “Old Indenture”) and to the related execution of a supplemental indenture (the “Supplemental Indenture”) embodying the proposed amendments. The proposed amendments would allow the incurrence of additional secured debt under the Old Indenture. If the Exchange Transaction is completed, the New Notes will be governed by the indenture (the “New Indenture”) to be qualified under this Application for Qualification on Form T-3. For more detailed information regarding the New Indenture, please see Item 8 of this Application.

As the New Notes are proposed to be offered for exchange by the Company with its existing noteholders exclusively and solely for the Old Notes of the Company, the transaction is exempt from registration under the Securities Act, pursuant to the provisions of Section 3(a)(9) thereof. No soliciting activities will be conducted in connection with this offer other than a notice in a Company press release that invites holders that are not Qualified Institutional Buyers and Qualified Purchasers to contact the Company. Only after confirming their status as such will Holders receive the materials related to this offer. No fees will be paid, directly or indirectly, to any person in connection with this Exchange Transaction for which the Section 3(a)(9) exemption is claimed, except for customary fees and payments to be made in respect of preparation, printing and mailing of the Offer to Exchange Notice (a form of which is attached hereto as Exhibit T3E), the payments of the fees and expenses of the Company’s legal advisors and the engagement of U.S. Bank National Association, as trustee and collateral agent under the New Indenture and trustee under the Old Indenture (the “Trustee”). No Holder of the Old Notes has made or will be requested to make any cash payment to the Company in connection with the Exchange Transaction. No advisor was retained to or did make recommendations or solicitations with respect to the proposed Exchange Transaction or encouragements to participate in any particular manner.

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The Company is making an additional concurrent exchange offers to holders of the Company’s securities other than the Old Notes as well as holders of the Old Notes in each case that are able to establish that they are Qualified Institutional Buyers and Qualified Purchasers. Several dealer managers are participating in such concurrent exchange offers. Certain participating holders in these additional concurrent exchange offers will receive New Notes in combination with certain other of the Company’s securities. The Company calls these concurrent exchange offers together, the “Concurrent Exchange Offers.” The Concurrent Exchange Offers are private placement transactions being conducted pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act, with solicitation fees paid to dealer managers involved therewith. Holders who are eligible to participate in this offer by definition will not be eligible to participate in the Concurrent Exchange Offers and will receive no documentation in respect thereof; similarly holders participating in the Concurrent Exchange Offers will not be solicited using the materials for this offer.

3. Affiliates

(a) For purposes of this Application only, certain directors and executive officers of the Applicants may be deemed to be “affiliates” of the Applicants by virtue of their positions with the Applicants. See Item 4, “Directors and Executive Officers.”

(b) The Company and each of its subsidiaries are affiliates of each other. Set forth below are the direct and indirect subsidiaries of the Company. Except as otherwise noted, the capital stock or other equity interests of these subsidiaries is wholly-owned, directly or indirectly, by the Company.

Name of Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Arch Coal Asia-Pacific PTE. LTD	Singapore
Arch of Australia PTY LTD	Australia
Arch Coal Australia PTY LTD	Australia
Arch Coal Australia Holdings PTY LTD	Australia
Arch Coal Europe Limited	United Kingdom
Arch Reclamation Services, Inc.	Delaware
Arch Western Acquisition Corporation	Delaware
Arch Western Acquisition, LLC	Delaware
Arch Western Resources, LLC	Delaware
Arch of Wyoming, LLC	Delaware
Arch Western Finance, LLC	Delaware
Arch Western Bituminous Group, LLC	Delaware
Mountain Coal Company, L.L.C.	Delaware
Thunder Basin Coal Company, L.L.C.	Delaware
Triton Coal Company, L.L.C.	Delaware
ACI Terminal, LLC	Delaware
Ark Land Company	Delaware
Western Energy Resources, Inc.	Delaware
Ark Land KH, Inc.	Delaware
Ark Land LT, Inc.	Delaware
Ark Land WR, Inc.	Delaware
Allegheny Land Company	Delaware
Apogee Holdco, Inc.	Delaware
Arch Coal Sales Company, Inc.	Delaware
Arch Energy Resources, LLC	Delaware
Arch Coal West, LLC	Delaware
Arch Development, LLC	Delaware
Arch Receivable Company, LLC	Delaware
Ashland Terminal, Inc.	Delaware
Catenary Coal Holdings, Inc.	Delaware
Cumberland River Coal Company	Delaware

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Name of Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Lone Mountain Processing, Inc.	Delaware
Powell Mountain Energy, LLC	Delaware
Catenary Holdco, Inc.	Delaware
Coal-Mac, Inc.	Kentucky
Energy Development Co.	Iowa
Hobet Holdco, Inc.	Delaware
International Coal Group, Inc.	Delaware
ICG, LLC	Delaware
ICG, Inc.	Delaware
ICG Beckley, LLC	Delaware
ICG Natural Resources, LLC	Delaware
ICG East Kentucky, LLC	Delaware
ICG Illinois, LLC	Delaware
ICG Knott County, LLC	Delaware
ICG Tygart Valley, LLC	Delaware
Shelby Run Mining Company, LLC	Delaware
ICG Eastern, LLC	Delaware
ICG Eastern Land, LLC	Delaware
CoalQuest Development LLC	Delaware
Hunter Ridge Holdings, Inc.	Delaware
Hunter Ridge, Inc.	Delaware
Hunter Ridge Coal Company	Delaware
White Wolf Energy, Inc.	Virginia
Bronco Mining Company, Inc.	West Virginia
Juliana Mining Company, Inc.	West Virginia
Hawthorne Coal Company, Inc.	West Virginia

Marine Coal Sales Company	Delaware
Upshur Property, Inc.	Delaware
King Knob Coal Co., Inc.	West Virginia
Vindex Energy Corporation	West Virginia
Patriot Mining Company, Inc.	West Virginia
Melrose Coal Company, Inc.	West Virginia
Wolf Run Mining Company	West Virginia
The Sycamore Group, LLC*	West Virginia
Simba Group, Inc.	Delaware
Jacobs Ranch Holdings I LLC	Delaware
Jacobs Ranch Holdings II LLC	Delaware
Jacobs Ranch Coal LLC	Delaware
Mingo Logan Coal Company	Delaware
Mountain Gem Land, Inc.	West Virginia
Mountain Mining, Inc.	Delaware
Mountaineer Land Company	Delaware
Otter Creek Coal, LLC	Delaware
P.C. Holding, Inc.	Delaware
Prairie Holdings, Inc.	Delaware
Prairie Coal Company, LLC	Delaware
Saddleback Hills Coal Company	Delaware

* 50% owned by Wolf Run Mining Company.

(c) Certain persons may be deemed to be “affiliates” of the Company by virtue of their holdings of the voting securities of the Company. See Item 5, “Principal Owners of Voting Securities.”

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MANAGEMENT AND CONTROL

4. Directors and Executive Officers

The following table lists the name of, and offices held by, each director and executive officer of the Applicants as of the date hereof. The mailing address of each director and executive officer is: c/o Arch Coal, Inc., One CityPlace Drive, Suite 300, St. Louis, Missouri 63141.

(1) Arch Coal, Inc.

Name	Office
John W. Eaves	Chairman and Chief Executive Officer, Director
Paul A. Lang	President and Chief Operating Officer, Director
David D. Freudenthal	Director
George C. Morris III	Director
Theodore D. Sands	Director
Wesley M. Taylor	Director
Peter I. Wold	Director
Patricia Fry Godley	Director
Paul T. Hanrahan	Director
Douglas H. Hunt	Director
J. Thomas Jones	Director
James A. Sabala	Director
John T. Drexler	Senior Vice President and Chief Financial Officer
Kenneth D. Cochran	Senior Vice President — Operations
Robert G. Jones	Senior Vice President — Law, General Counsel and Secretary
John A. Ziegler	Chief Commercial Officer
John W. Lorson	Vice President and Chief Accounting Officer
Doug Conway	Vice President — Safety
Allen R. Kelley	Vice President — Human Resources
Deck Slone	Senior Vice President, Strategy and Public Policy
C. David Steele	Vice President — Tax Planning
Derek A. LaBell	Director — Internal Audit
Matthew C. Giljum	Vice President — Finance and Treasurer
Jon S. Ploetz	Assistant Corporate Secretary

(2) ACI Terminal, LLC

Name	Office
David J. Finnerty	President, Manager
Robert G. Jones	Manager
Paul A. Lang	Manager, Vice President
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer

John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(3) Allegheny Land Company

<u>Name</u>	<u>Office</u>
David J. Finnerty	President
Robert G. Jones	Director
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President

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<u>Name</u>	<u>Office</u>
Jolene J. Mermis	Assistant Secretary

(4) Arch Coal Sales Company, Inc.

<u>Name</u>	<u>Office</u>
John A. Ziegler	President, Director
Paul A. Lang	Director, Vice President
Jon S. Ploetz	Director, Secretary
R. Matthew Ferguson	Senior Vice President
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Kent Smith	Vice President
Rowdy L. Smith	Vice President
Jolene J. Mermis	Assistant Secretary

(5) Arch Coal West, LLC

<u>Name</u>	<u>Office</u>
Jon S. Ploetz	President and Secretary
Matthew C. Giljum	Vice President and Treasurer
Kenneth D. Cochran	Vice President
C. David Steele	Vice President -Tax
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(6) Arch Development, LLC

<u>Name</u>	<u>Office</u>
Jeffrey W. Strobel	President
C. David Steele	Vice President -Tax
Matthew C. Giljum	Vice President and Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(7) Arch Energy Resources, LLC

<u>Name</u>	<u>Office</u>
Jennifer Johnson	President
John W. Eaves	Manager
Robert G. Jones	Manager
Paul A. Lang	Manager
John A. Ziegler	Senior Vice President
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(8) Arch Reclamation Services, Inc.

<u>Name</u>	<u>Office</u>
John K. O'Hare	President, Director
Robert G. Jones	Director

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Name	Office
Paul A. Lang	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(9) Arch Western Acquisition Corporation

Name	Office
Paul A. Lang	President, Director
Robert G. Jones	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(10) Arch Western Acquisition, LLC

Name	Office
Paul A. Lang	President, Manager
Robert G. Jones	Manager
Jon S. Ploetz	Manager, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(11) Arch Western Bituminous Group, LLC

Name	Office
Keith R. Williams	President
Kenneth D. Cochran	Director
Paul A. Lang	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(12) Arch Western Finance, LLC

Name	Office
John T. Drexler	President, Director
Robert G. Jones	Director, Vice President
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary
Patricia A. Will	Assistant Treasurer

(13) Arch Western Resources, LLC

Name	Office
Paul A. Lang	President

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Name	Office
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
Kenneth D. Cochran	Vice President
John T. Drexler	Vice President
Robert G. Jones	Vice President and Assistant Secretary
Patricia A. Will	Assistant Treasurer
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(14) Arch Of Wyoming, LLC

Name	Office
Keith R. Williams	President & General Manager, Director
Kenneth D. Cochran	Director, Vice President
Paul A. Lang	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(15) Ark Land Company

Name	Office
David J. Finnerty	President
Robert G. Jones	Director, Assistant Secretary
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
William Scott Stewart	Vice President - Exploration
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(16) Ark Land KH, Inc.

Name	Office
David J. Finnerty	President
Robert G. Jones	Director
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(17) Ark Land LT, Inc.

Name	Office
David J. Finnerty	President
Robert G. Jones	Director, Assistant Secretary
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer

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Name	Office
John T. Drexler	Vice President
William Scott Stewart	Vice President
Jolene J. Mermis	Assistant Secretary

(18) Ark Land WR, Inc.

Name	Office
David J. Finnerty	President
Robert G. Jones	Director, Assistant Secretary
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
William Scott Stewart	Vice President
Jolene J. Mermis	Assistant Secretary

(19) Ashland Terminal, Inc.

Name	Office
Calvin N. Hall	President
R. Matthew Ferguson	Director
Jennifer Johnson	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
James C. (Chris) Sykes	Vice President
John T. Drexler	Vice President

Kent Smith	Vice President
Jolene J. Mermis	Assistant Secretary

(20) Bronco Mining Company, Inc.

Name	Office
Paul A. Lang	President, Director
Kenneth D. Cochran	Director
Robert G. Jones	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(21) Catenary Coal Holdings, Inc.

Name	Office
James C. (Chris) Sykes	President
John W. Eaves	Director
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

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(22) Coal-Mac, Inc.

Name	Office
Thomas (Tim) S. Brown	President
John T. Drexler	Director
Paul A. Lang	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
James C. (Chris) Sykes	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(23) CoalQuest Development LLC

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
C. David Steele	Vice President
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(24) Cumberland River Coal Company

Name	Office
Ricky L. Johnson	President
Paul A. Lang	Director
Jon S. Ploetz	Director, Secretary
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
James C. (Chris) Sykes	Vice President
Jolene J. Mermis	Assistant Secretary

(25) Hawthorne Coal Company, Inc.

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer

John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(26) Hunter Ridge, Inc.

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director

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Name	Office
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(27) Hunter Ridge Coal Company

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(28) Hunter Ridge Holdings, Inc.

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(29) ICG, Inc.

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(30) ICG, LLC

Name	Office
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Charles David Steele	Vice President
John A. Ziegler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

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(31) ICG Beckley, LLC

Name	Office
Joe Tussey	President
Kenneth D. Cochran	Director
Robert G. Jones	Director
Paul A. Lang	Director
Matthew C. Giljum	Vice President & Treasurer
James C. (Chris) Sykes	Vice President
John T. Drexler	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(32) ICG East Kentucky, LLC

Name	Office
James C. (Chris) Sykes	President
Kenneth D. Cochran	Director
Robert G. Jones	Director
Paul A. Lang	Director
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(33) ICG Eastern, LLC

Name	Office
James C. (Chris) Sykes	President
Kenneth D. Cochran	Director
Robert G. Jones	Director
Paul A. Lang	Director
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(34) ICG Eastern Land, LLC

Name	Office
David J. Finnerty	President
John W. Eaves	Director
Robert G. Jones	Director
Paul A. Lang	Director, Vice President
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

[Table of Contents](#)**(35) ICG Illinois, LLC**

Name	Office
Erwin Sass	President
Kenneth D. Cochran	Director
Robert G. Jones	Director
Paul A. Lang	Director
Matthew C. Giljum	Vice President & Treasurer
James C. (Chris) Sykes	Vice President
John T. Drexler	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
John A. Ziegler	Vice President
Jon S. Ploetz	Secretary

(36) ICG Knott County, LLC

Name	Office
James C. (Chris) Sykes	President

Kenneth D. Cochran	Director
Robert G. Jones	Director
Paul A. Lang	Director
John T. Drexler	Vice President
Matthew C. Giljum	Vice President & Treasurer
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(37) ICG Natural Resources, LLC

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(38) ICG Tygart Valley, LLC

<u>Name</u>	<u>Office</u>
Gaither Frazier	President
Kenneth D. Cochran	Director
Robert G. Jones	Director
Paul A. Lang	Director
Matthew C. Giljum	Vice President & Treasurer
James C. (Chris) Sykes	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

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(39) International Coal Group, Inc.

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
John W. Eaves	Director
Robert G. Jones	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(40) Juliana Mining Company, Inc.

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(41) King Knob Coal Co., Inc.

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(42) Lone Mountain Processing, Inc.

Name	Office
Thurman Holcomb	President
Paul A. Lang	Director
Kenneth D. Cochran	Director, Vice President & Treasurer
Matthew C. Giljum	Director
Charles David Steele	Vice President - Tax
John T. Drexler	Vice President
Chris Sykes	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(43) Marine Coal Sales Company

Name	Office
Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer

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Name	Office
John T. Drexler	Vice President
John A. Ziegler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(44) Melrose Coal Company, Inc.

Name	Office
Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(45) Mingo Logan Coal Company

Name	Office
Jeffrey E. Roberts	President
Paul A. Lang	Director
Kenneth D. Cochran	Director
Matthew C. Giljum	Director, Vice President & Treasurer
Charles David Steele	Vice President - Tax
John T. Drexler	Vice President
James C. (Chris) Sykes	Vice President
John McDaniel	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(46) Mountain Coal Company, L.L.C.

Name	Office
Keith R. Williams	President
Paul A. Lang	Director
Kenneth D. Cochran	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(47) Mountain Gem Land, Inc.

Name	Office
David J. Finnerty	President
Paul A. Lang	Director
Robert G. Jones	Director
Jon S. Ploetz	Director, Secretary
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President

[Table of Contents](#)**(48) Mountain Mining, Inc.**

Name	Office
Paul A. Lang	President, Director
Jon S. Ploetz	Director, Secretary
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(49) Mountaineer Land Company

Name	Office
David J. Finnerty	President
Paul A. Lang	Director
Robert G. Jones	Director
Jon S. Ploetz	Director, Secretary
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(50) Otter Creek Coal, LLC

Name	Office
William (Mike) Rowlands	President
Charles David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(51) Patriot Mining Company, Inc.

Name	Office
James C. (Chris) Sykes	President
Paul A. Lang	Director
Kenneth D. Cochran	Director
Robert G. Jones	Director
C. David Steele	Vice President — Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jon S. Ploetz	Secretary
Jolene J. Mermis	Assistant Secretary

(52) Powell Mountain Energy, LLC

Name	Office
Thurman Holcomb	President
Paul A. Lang	Director
Kenneth D. Cochran	Director
Robert G. Jones	Director
Matthew C. Giljum	Vice President & Treasurer
James C. (Chris) Sykes	Vice President
Charles David Steele	Vice President

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Name	Office
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(53) Prairie Holdings, Inc.

Name	Office
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Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(54) Shelby Run Mining Company, LLC

<u>Name</u>	<u>Office</u>
James C. (Chris) Sykes	President
Paul A. Lang	Manager
Kenneth D. Cochran	Manager
Robert G. Jones	Manager
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
James Kliche	Vice President
Charles David Steele	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(55) Simba Group, Inc.

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(56) Thunder Basin Coal Company, L.L.C.

<u>Name</u>	<u>Office</u>
Keith R. Williams	President
Paul A. Lang	Director
Kenneth D. Cochran	Director
Jon S. Ploetz	Director, Secretary
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

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(57) Triton Coal Company, L.L.C.

<u>Name</u>	<u>Office</u>
Keith R. Williams	President
Paul A. Lang	Director
Kenneth D. Cochran	Director, Vice President
Jon S. Ploetz	Director, Secretary
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(58) Upshur Property, Inc.

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
Robert G. Jones	Director
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
James C. (Chris) Sykes	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(59) Vindex Energy Corporation

<u>Name</u>	<u>Office</u>
Jeffrey P. Kelley	President
Paul A. Lang	Manager
Kenneth D. Cochran	Manager
Robert G. Jones	Manager
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
James C. (Chris) Sykes	Vice President
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(60) Western Energy Resources, Inc.

<u>Name</u>	<u>Office</u>
David J. Finnerty	President
Paul A. Lang	Director
Robert G. Jones	Director, Assistant Secretary
Jon S. Ploetz	Director, Secretary
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
William Scott Stewart	Vice President
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary

(61) White Wolf Energy, Inc.

<u>Name</u>	<u>Office</u>
Paul A. Lang	President, Director
Robert G. Jones	Director

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<u>Name</u>	<u>Office</u>
John W. Eaves	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

(62) Wolf Run Mining Company

<u>Name</u>	<u>Office</u>
James C. (Chris) Sykes	President
Paul A. Lang	Director
Kenneth D. Cochran	Director
Robert G. Jones	Director
Charles David Steele	Vice President - Tax
Matthew C. Giljum	Vice President & Treasurer
John T. Drexler	Vice President
Jolene J. Mermis	Assistant Secretary
Jon S. Ploetz	Secretary

5. Principal Owners of Voting Securities

The mailing address for the Company and each Guarantor is One CityPlace Drive, Ste. 300, St. Louis, Missouri 63141.

(1) Arch Coal, Inc.

To the knowledge of the Company, no person owns 10% or more of the voting securities of the Company as of June 30, 2015.

(2) ACI Terminal, LLC

<u>Name and Complete Mailing Address</u>	<u>Title of Class Owned</u>	<u>Amount Owned</u>	<u>Percentage of Voting Securities Owned</u>
Arch Western Resources, LLC	Units	100 units	100%

(3) Allegheny Land Company

<u>Name and Complete Mailing Address</u>	<u>Title of Class Owned</u>	<u>Amount Owned</u>	<u>Percentage of Voting Securities Owned</u>
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Arch Coal, Inc.	Common Stock	20 shares	100%
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(4) Arch Coal Sales Company, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	1,110 shares	100%

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(5) Arch Coal West, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Units	100 units	100%

(6) Arch Development, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Units	100 units	100%

(7) Arch Energy Resources, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal Sales Company, Inc.	Units	100 units	100%

(8) Arch Reclamation Services, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	100 shares	100%

(9) Arch Western Acquisition Corporation

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	10 shares	100%

(10) Arch Western Acquisition, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Western Acquisition Corporation	Units	100 units	100%

(11) Arch Western Bituminous Group, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Western Resources, LLC	Units	100 units	100%

(12) Arch Western Finance, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch of Wyoming, LLC	Units	100 units	100%

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(13) Arch Western Resources, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Western Acquisition Corporation	Membership Interests	99.5%	99.5%
Arch Western Acquisition, LLC	Membership Interests	0.5%	0.5%

(14) Arch Of Wyoming, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Western Resources, LLC	Units	100 units	100%

(15) Ark Land Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	612 shares	100%

(16) Ark Land KH, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Ark Land Company.	Common Stock	1,000 shares	100%

(17) Ark Land LT, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Ark Land Company	Common Stock	1,000 shares	100%

(18) Ark Land WR, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Ark Land Company	Common Stock	1,000 shares	100%

(19) Ashland Terminal, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	10 shares	100%

(20) Bronco Mining Company, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

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(21) Catenary Coal Holdings, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	10 shares	100%

(22) Coal-Mac, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	300 shares	100%
Arch Coal, Inc.	Class B Preferred Stock	606 shares	100%

(23) CoalQuest Development LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, LLC	Membership Units	100 membership units	100%

(24) Cumberland River Coal Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Catenary Coal Holdings, Inc.	Common Stock	10 shares	100%

(25) Hawthorne Coal Company, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities

			Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

(26) Hunter Ridge, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge Holdings, Inc.	Class A Common Stock	500 shares	100%
Hunter Ridge Holdings, Inc.	Class B Common Stock	500 shares	100%
Hunter Ridge Holdings, Inc.	Class A Preferred Stock	200 shares	100%
Hunter Ridge Holdings, Inc.	Class B Preferred Stock	10,000 shares	100%
Hunter Ridge Holdings, Inc.	Class C Preferred Stock	1,000 shares	100%
Hunter Ridge Holdings, Inc.	Class D Preferred Stock	1,000 shares	100%

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(27) Hunter Ridge Coal Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	10 shares	100%

(28) Hunter Ridge Holdings, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, LLC	Common Stock	100 shares	100%

(29) ICG, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, LLC	Common Stock	100 shares	100%

(30) ICG, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
International Coal Group, Inc.	Units	100 units	100%

(31) ICG Beckley, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(32) ICG East Kentucky, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(33) ICG Eastern, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(34) ICG Eastern Land, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG Eastern, LLC	Units	100 units	100%

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(35) ICG Illinois, LLC

Name and Complete Mailing Address	Title of Class	Amount Owned	Percentage of
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	Owned		Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(36) ICG Knott County, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(37) ICG Natural Resources, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(38) ICG Tygart Valley, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG, Inc.	Units	100 units	100%

(39) International Coal Group, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	10 shares	100%
Arch Coal, Inc.	Preferred Stock	0 shares	100%

(40) Juliana Mining Company, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	500 shares	100%

(41) King Knob Coal Co., Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	250 shares	100%

(42) Lone Mountain Processing, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Catenary Coal Holdings, Inc.	Common Stock	10 shares	100%

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(43) Marine Coal Sales Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

(44) Melrose Coal Company, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

(45) Mingo Logan Coal Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	1,000 shares	100%

(46) Mountain Coal Company, L.L.C.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Western Bituminous Group LLC	Units	100 units	100%

(47) Mountain Gem Land, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	10 shares	100%

(48) Mountain Mining, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	100 shares	100%

(49) Mountaineer Land Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	110 shares	100%

(50) Otter Creek Coal, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Units	100 units	100%

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[Table of Contents](#)**(51) Patriot Mining Company, Inc.**

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

(52) Powell Mountain Energy, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Lone Mountain Processing, Inc.	Units	100 units	100%

(53) Prairie Holdings, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Coal, Inc.	Common Stock	1,000 shares	100%

(54) Shelby Run Mining Company, LLC

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
ICG Tygart Valley, LLC	Units	100 units	100%

(55) Simba Group, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge Holdings, Inc.	Common Stock	1 share	100%

(56) Thunder Basin Coal Company, L.L.C.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Arch Western Resources, LLC	Units	100 units	100%

(57) Triton Coal Company, L.L.C.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Thunder Basin Coal Company, L.L.C.	Units	100 units	100%

(58) Upshur Property, Inc.

Name and Complete Mailing Address	Title of Class	Amount Owned	Percentage of
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	Owned	Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	1,000 shares
		100%

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(59) Vindex Energy Corporation

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

(60) Western Energy Resources, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Ark Land Company	Common Stock	100 shares	100%

(61) White Wolf Energy, Inc.

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

(62) Wolf Run Mining Company

Name and Complete Mailing Address	Title of Class Owned	Amount Owned	Percentage of Voting Securities Owned
Hunter Ridge, Inc.	Common Stock	100 shares	100%

UNDERWRITERS

6. Underwriters

(a) The name and complete mailing address of each person who, within three years prior to the date of filing this Application, acted as an underwriter of any securities of the Applicants which are outstanding on the date of filing this application is listed below, along with the title of each class of securities underwritten by the underwriter.

Name and Address	Title of Class of Securities Underwritten
Merrill Lynch, Pierce, Fenner & Smith Incorporated One Bryant Park New York, New York 10036	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
PNC Capital Markets LLC 225 Fifth Avenue Pittsburgh, Pennsylvania 15222	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
Citigroup Global Markets Inc. 388 Greenwich Street New York, New York 10013	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
Credit Suisse Securities (USA) LLC Eleven Madison Avenue New York, New York 10010	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
Morgan Stanley & Co. LLC 1585 Broadway	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019

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New York, New York 10036	
RBS Securities Inc. 600 Washington Boulevard Stamford, Connecticut 06901	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
BMO Capital Markets Corp. 3 Times Square, 28th Floor New York, New York 10036	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019

CIBC World Markets Corp. 300 Madison Avenue, 5th Floor New York, New York 10017	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
Credit Agricole Securities (USA) Inc. 1301 Avenue of the Americas New York, New York 10019	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
RBC Capital Markets, LLC Three World Financial Center 200 Vesey Street New York, New York 10013	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
Mizuho Securities USA Inc. 320 Park Avenue 12th Floor	8.000% Senior Secured Second Lien Notes due 2019 9.875% Senior Notes due 2019
Santander Investment Securities Inc. 45 East 53 rd Street New York, New York 10022	8.000% Senior Secured Second Lien Notes due 2019
Natixis Securities Americas LLC 1251 Avenue of the Americas New York, New York 10020	8.000% Senior Secured Second Lien Notes due 2019
BBVA Securities Inc. 1345 Avenue of the Americas, 45th Fl. New York, New York 10105	8.000% Senior Secured Second Lien Notes due 2019
ING Financial Markets LLC 1325 Avenue of the Americas New York, New York 10019	8.000% Senior Secured Second Lien Notes due 2019
BB&T Capital Markets, a division of BB&T Securities, LLC 1133 Avenue of the Americas 27th Floor New York, New York 10036	8.000% Senior Secured Second Lien Notes due 2019
Fifth Third Securities, Inc. 38 Fountain Square Plaza Fifth Third Center Cincinnati, Ohio 45202-3102	8.000% Senior Secured Second Lien Notes due 2019
Regions Securities LLC 3050 Peachtree Road NW Suite 400	8.000% Senior Secured Second Lien Notes due 2019

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Atlanta, Georgia 30305	
Deutsche Bank Securities Inc. 60 Wall Street 4th Floor New York, NY 10005	9.875% Senior Notes due 2019
FBR Capital Markets & Co. 1001 Nineteenth Street North Floor 18 Arlington, VA 22209	9.875% Senior Notes due 2019
Lazard Capital Markets LLC 30 Rockefeller Plaza New York, NY 10020	9.875% Senior Notes due 2019
Mitsubishi UFJ Securities (USA), Inc. 1633 Broadway 29th floor New York, NY 10019	9.875% Senior Notes due 2019
Natixis Securities Americas LLC 1251 Avenue of the Americas	9.875% Senior Notes due 2019

New York, New York 10020

Santander Investment Securities Inc. 9.875% Senior Notes due 2019
45 East 53rd Street
New York, New York 10022

SMBC Nikko Capital Markets Limited 9.875% Senior Notes due 2019
One New Change
London, EC4M 9AF

Stifel, Nicolaus & Company, Incorporated 9.875% Senior Notes due 2019
One Financial Plaza
501 North Broadway
St. Louis, Missouri 63102

UBS Securities LLC 9.875% Senior Notes due 2019
677 Washington Blvd
Stamford, Connecticut 06901

U.S. Bancorp Investments, Inc. 9.875% Senior Notes due 2019
U.S. Bancorp Center
800 Nicollet Mall
Minneapolis, Minnesota 55402

(b) There is no proposed underwriter for the New Notes that are proposed to be offered in the connection with the New Indenture that is qualified under this Application.

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CAPITAL SECURITIES

7. Capitalization

(a) The authorized and outstanding securities of the Company as of June 30, 2015 were as follows:

(1) Arch Coal, Inc.

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Common Stock, par value \$0.01 per share	260,000,000 shares	212,947,135 shares
Preferred Stock, par value \$0.01 per share	10,000,000 shares	0 shares
7.00% senior notes due 2019	\$1,000,000,000	\$1,000,000,000
8.00% second lien notes due 2019	\$350,000,000	\$350,000,000
9.875% senior notes due 2019	\$375,000,000	\$363,997,000
7.25% senior notes due 2020	\$500,000,000	\$500,000,000
7.25% senior notes due 2021	\$1,000,000,000	\$1,000,000,000

(2) ACI Terminal, LLC *

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Units	100 units	100 units

(3) Allegheny Land Company *

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Common Stock, no par value	1,000 shares	20 shares

(4) Arch Coal Sales Company, Inc. *

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Common Stock, par value \$1.00 per share	5,000 shares	1,110 shares

(5) Arch Coal West, LLC *

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Units	100 units	100

(6) Arch Development, LLC *

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Units	100 units	100 units

(7) Arch Energy Resources, LLC *

<u>Title of Class</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>
Units	100 units	100 units

(8) Arch Reclamation Services, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	1,000 shares	100 shares

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[Table of Contents](#)**(9) Arch Western Acquisition Corporation ***

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$0.01 per share	1,000 shares	10 shares

(10) Arch Western Acquisition, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(11) Arch Western Bituminous Group, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(12) Arch Western Finance, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(13) Arch Western Resources, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Membership Interest	N/A	100% of membership interest

(14) Arch Of Wyoming, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(15) Ark Land Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100.00 per share	1,000 shares	612 shares

(16) Ark Land KH, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value	1,000 shares	1,000 shares

(17) Ark Land LT, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$1.00 per share	1,000 shares	1,000 shares

(18) Ark Land WR, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$1.00 per share	1,000 shares	1,000 shares

(19) Ashland Terminal, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value	1,000 shares	10 shares

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[Table of Contents](#)**(20) Bronco Mining Company, Inc. ***

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	500 shares	100 shares

(21) Catenary Coal Holdings, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
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Common Stock, par value \$100.00 per share	1,000 shares	10 shares
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(22) Coal-Mac, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value per share	1,000 shares	300 shares
Class A Preferred Stock, no par value per share	500 shares	0 shares
Class B Preferred Stock, no par value per share	1,000 shares	606 shares

(23) CoalQuest Development LLC *

Title of Class	Amount Authorized	Amount Outstanding
Membership Units	100 membership units	100 membership units

(24) Cumberland River Coal Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100.00 per share	1,000 shares	10 shares

(25) Hawthorne Coal Company, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	100 shares	100 shares

(26) Hunter Ridge, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Class A Common Stock, par value \$100.00 per share	500 shares	254 and 23/100 shares
Class B Common Stock, par value \$100.00 per share	500 shares	0
Class A Preferred Stock, par value \$1.00 per share	200 shares	0
Class B Preferred Stock, par value \$2,500.00 per share	10,000 shares	0
Class C Preferred Stock, par value \$13,000.00 per share	1,000 shares	0
Class D Preferred Stock, par value \$7,000.00 per share	1,000 shares	0

(27) Hunter Ridge Coal Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100 per share	1,000 shares	10 shares

(28) Hunter Ridge Holdings, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$0.01 per share	100 shares	100 shares

(29) ICG, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$0.01 per share	100 shares	100 shares

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(30) ICG, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(31) ICG Beckley, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(32) ICG East Kentucky, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(33) ICG Eastern, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(34) ICG Eastern Land, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(35) ICG Illinois, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(36) ICG Knott County, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(37) ICG Natural Resources, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(38) ICG Tygart Valley, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(39) International Coal Group, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$0.01 per share	10,000 shares	10 shares
Preferred Stock, par value \$0.01 per share	10,000 shares	—

(40) Juliana Mining Company, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	500 shares	500 shares

[Table of Contents](#)**(41) King Knob Coal Co., Inc. ***

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100.00 per share	500 shares	250 shares

(42) Lone Mountain Processing, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100.00 per share	1,000 shares	10 shares

(43) Marine Coal Sales Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100.00 per share	1,000 shares	100 shares

(44) Melrose Coal Company, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	100 shares	100 shares

(45) Mingo Logan Coal Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$1.00 per share	100,000 shares	1,000 shares

(46) Mountain Coal Company, L.L.C. *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(47) Mountain Gem Land, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value	1,000 shares	10 shares

(48) Mountain Mining, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value	100 shares	100 shares

(49) Mountaineer Land Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value	1,000 shares	110 shares

(50) Otter Creek Coal, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(51) Patriot Mining Company, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	100 shares	100 shares

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[Table of Contents](#)**(52) Powell Mountain Energy, LLC ***

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(53) Prairie Holdings, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, no par value	1,000 shares	1,000 shares

(54) Shelby Run Mining Company, LLC *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(55) Simba Group, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$100.00 per share	1,000 shares	1 share

(56) Thunder Basin Coal Company, L.L.C. *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(57) Triton Coal Company, L.L.C. *

Title of Class	Amount Authorized	Amount Outstanding
Units	100 units	100 units

(58) Upshur Property, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$1.00 per share	2,000 shares	1,000 shares

(59) Vindex Energy Corporation *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	100 shares	100 shares

(60) Western Energy Resources, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$1.00 per share	1,000 shares	100 shares

(61) White Wolf Energy, Inc. *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	100 shares	100 shares

(62) Wolf Run Mining Company *

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value \$10.00 per share	500 shares	100 shares

* Guarantor of the 8.00% second lien notes due 2019, the 7.00% senior notes due 2019, the 9.875% senior notes due 2019, the 7.25% senior notes due 2020 and the 7.25% senior notes due 2021.

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(b) Except as may be otherwise provided by law, the Certificate of Incorporation or the Bylaws, each stockholder of record present in person or by proxy shall be entitled, at every stockholders' meeting, to one vote for each share of capital stock having voting power standing in the name of such stockholder on the books of the Corporation. Limited liability interests are voted by the sole members.

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INDENTURE SECURITIES

8. Analysis of indenture provisions.

The New Notes will be issued under the New Indenture to be entered into among the Company, the Guarantors and the Trustee. The following is a general analysis of certain provisions of the New Notes and is qualified in its entirety by reference to the New Indenture filed as an exhibit hereto. The Company has not entered into the New Indenture as of the date of this filing, and the terms of the New Indenture are subject to change prior to its execution.

(a) Events of Default; Withholding of Notice

Events of Default in respect of the New Notes include:

- (1) failure to make the payment of any interest on the New Notes when the same becomes due and payable, and such failure continues for a period of 30 days;
- (2) failure to make the payment of any principal of, or premium, if any, on, the New Notes when the same becomes due and payable at its stated maturity, upon acceleration, optional redemption, required repurchase or otherwise;
- (3) failure to comply with the covenants pertaining to repurchase at the option of Holders upon a change of control, limitation on asset sales, and merger, consolidation and sale of property;
- (4) failure to comply with the covenant pertaining to SEC Reports for 120 days after written notice is given to the Company as provided below;
- (5) failure to comply with any other covenant or agreement in the New Notes, the New Indenture or the note guarantees (other than a failure that is the subject of the foregoing clause (1), (2), (3) or (4)), and such failure continues for 60 days after written notice is given to the Company as provided below;
- (6) a default under any debt by the Company or any restricted subsidiary that results in acceleration of the maturity of such debt, or failure to pay any such debt at maturity, in an aggregate amount greater than \$100.0 million or its foreign currency equivalent at the time (the "cross acceleration provisions");
- (7) any final judgment or judgments for the payment of money in an aggregate amount in excess of \$100.0 million (or its foreign currency equivalent at the time), to the extent such judgments are not paid or covered by insurance provided by a reputable carrier that shall be rendered against the Company or any restricted subsidiary and that shall not be waived, satisfied, stayed or discharged for any period of 60 consecutive days after the date on which the right to appeal has expired (the "judgment default provisions");
- (8) certain events involving bankruptcy, insolvency or reorganization of the Company, any guarantor or any other significant subsidiary (the "bankruptcy provisions");
- (9) any note guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason (other than in accordance with the provisions of the New Indenture) to be in full force and effect or any guarantor, or any person acting on behalf of any guarantor, shall deny or disaffirm its obligations under any note guarantee; and
- (10) unless all of the collateral has been released from the 1.5 priority liens in accordance with the provisions of the security documents, (x) default by the Company or any guarantor in the performance of the security documents which adversely affects the enforceability, validity, perfection or priority of the 1.5 priority liens on any collateral, individually or in the aggregate, having a fair market value in excess of \$100.0 million, (y) the repudiation or disaffirmation by the Company or any guarantor of its material obligations under the security documents or (z) the determination in a judicial proceeding that the security documents are unenforceable or invalid against the Company or any guarantor party thereto for any reason with respect to any collateral, individually or in the aggregate, having a fair market value in excess of \$100.0 million, in each case, which default, repudiation, disaffirmation or determination is not rescinded, stayed, or waived by the persons having such authority pursuant to the security documents or otherwise cured within 60 days after the Company receives written notice thereof specifying such

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occurrence from the Trustee or the Holders of at least 25% of the outstanding principal amount of the New Notes and demanding that such default be remedied.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

A Default under clauses (3) or (4) is not an Event of Default until the Trustee or the Holders of not less than 25% in aggregate principal amount of the New Notes then outstanding notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default."

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an officers' certificate of any event that with the giving of notice or the lapse of time or both would become an Event of Default, its status and what action is being taken or proposed to be taken

with respect thereto.

If a Default or an Event of Default occurs and is continuing and is known to a trust officer of the Trustee, the Trustee shall mail to each Holder notice of the Default or Event of Default within five business days after its occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, on the New Notes or interest, if any, on any New Note, the Trustee may withhold the notice to the Holders if and so long as a committee of its trust officers in good faith determines that withholding the notice is in the interests of the Holders.

(b) Authentication and Delivery of the Notes; Use of Proceeds

The New Notes to be issued under the New Indenture may be executed by manual or facsimile signature on behalf of the Company by any of the following persons: (i) the Chief Executive Officer, (ii) the President, (iii) the Senior Vice President and Chief Financial Officer, (iv) the Senior Vice President — Law, General Counsel and Secretary, (v) the Controller, (vi) the Treasurer, (vii) any Assistant Secretary, (viii) any Assistant Treasurer and (ix) any such other officer of the Company as the Chief Executive Officer may in his discretion designate.

The New Notes shall not be valid or obligatory for any purpose until an authorized signatory of the Trustee manually signs the certificate of authentication on the New Note. The signature shall be conclusive evidence that the New Note has been authenticated. The Company shall execute and the Trustee shall authenticate the New Notes pursuant to a written order signed in the name of the Company by any person authorized by a resolution of the directors, officers or shareholders of the Company or such other similar governing body or person of the Company.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the New Notes. Unless limited by the terms of such appointment, any such authenticating agent may authenticate New Notes whenever the Trustee may do so. The Trustee shall have the right to decline to authenticate and deliver any New Notes if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith shall determine that such action would expose the Trustee to personal liability to existing Holders.

There will be no proceeds from the issuance of the New Notes because the New Notes will be exchanged for the Old Notes.

(c) Release and Substitution of Property Subject to the Lien of the Indenture

The security documents and the New Indenture will provide that the 1.5 priority liens securing the note guarantee of any guarantor will be automatically released when such guarantor's note guarantee is released in accordance with the terms of the New Indenture. In addition, the 1.5 priority liens securing the obligations under the New Notes and the New Indenture will be released (a) in whole, upon a legal defeasance or a covenant defeasance of the New Notes, (b) in whole, upon satisfaction and discharge of the New Indenture, (c), in whole, upon payment in full of principal, interest and all other obligations on the New Notes issued under the New Indenture, (d) in whole or in part, with the consent of the requisite Holders of the New Notes in accordance with the amendment and waiver provisions, including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, New Notes; (e) in whole, upon the first date that the New Notes have investment grade ratings from both Standard & Poor's Ratings Services and Moody's Investors Service, Inc. and no Default or Event of Default has occurred and is continuing under the New Indenture; and (f) in part, as to any asset constituting collateral (A) that is sold or otherwise disposed of by the Company or any of the guarantors in a transaction permitted by the

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covenant limiting asset sales and by the security documents (to the extent of the interest sold or disposed of) or otherwise permitted by the New Indenture and the security documents, if all other liens on that asset securing the first lien obligations and any pari passu secured debt then secured by that asset (including all commitments thereunder) are released, (B) that is used to make a restricted payment or permitted investment permitted by the New Indenture, (C) that becomes excluded collateral, (D) that is otherwise released in accordance with, and as expressly provided for in accordance with, the New Indenture and the security documents.

The Company must deliver an officers' certificate to the collateral agent within 30 calendar days following the end of each six-month period beginning on each interest payment date, to the effect that all such releases and withdrawals during the preceding six-month period (or since the issue date, in the case of the first such officers' certificate) as described in clause (f) of the preceding paragraph, were not prohibited by the New Indenture.

The Company shall comply with Section 314(a)(4) of the Trust Indenture Act.

(d) Satisfaction and Discharge of the Indenture

The New Indenture will be discharged and will cease to be of further effect as to all New Notes issued thereunder, when:

(1) either:

(a) all New Notes that have been authenticated (except lost, stolen or destroyed New Notes that have been replaced or paid and New Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(b) all New Notes that have not been delivered to the Trustee for cancellation are to be called for redemption within one year and an irrevocable notice of redemption with respect thereto has been deposited with the Trustee or will become due and payable within one year and the Company or a Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, U.S. government obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the New Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default will have occurred and be continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under the New Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under the New Indenture to apply the deposited money toward the payment of the New Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an officers' certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

The collateral will be released from the liens securing the New Notes upon a satisfaction and discharge in accordance with the provisions described above.

(e) Evidence Required to be Furnished by the Company to the Trustee as to Compliance with the Conditions and Covenants Provided for in the Indenture

The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an officers' certificate stating that in the course of the performance by the signer of its duties as an officer of the Company he or she would normally have knowledge of any Default and whether or not the signer knows of any Default that occurred during such period and if any specifying such Default, its status and what action the Company is taking or proposed to take with respect thereto.

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The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an officers' certificate of any event that with the giving of notice or the lapse of time or both would become an Event of Default, its status and what action is being taken or proposed to be taken with respect thereto.

Every certificate or opinion with respect to compliance with a condition or covenant shall include a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions relating thereto, a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with, and a statement as to whether, in the opinion of such individual, such condition or covenant has been complied with.

9. Other Obligor

No person, other than the Applicants, is an obligor of the New Notes.

The mailing address for each Applicant is One CityPlace Drive, Ste. 300, St. Louis, Missouri 63141.

Contents of Application for Qualification. This application for qualification comprises —

- (a) Pages numbered 1 to 44, consecutively.
- (b) The statement of eligibility and qualification of the trustee under the indenture to be qualified.
- (c) The following exhibits in addition to those filed as part of the statement of eligibility and qualification of the trustee:

Exhibit	Description
T3A1	Restated Certificate of Incorporation of Arch Coal, Inc. (1)
T3B1	Arch Coal, Inc. Amended and Restated Bylaws, as amended and restated effective as of February 26, 2015 (2)
T3A2	Certificate of Formation of ACI Terminal, LLC*
T3B2	Limited Liability Company Agreement of ACI Terminal, LLC*
T3A3	Amended and Restated Certificate of Incorporation of Allegheny Land Company (3)
T3B3	Bylaws of Allegheny Land Company (4)
T3A4	Amended and Restated Certificate of Incorporation of Arch Coal Sales Company, Inc. (5)
T3B4	Bylaws of Arch Coal Sales Company, Inc. (6)
T3A5	Certificate of Formation of Arch Coal West, LLC (7)
T3B5	Amended and Restated Limited Liability Company Agreement of Arch Coal West, LLC (8)
T3A6	Certificate of Formation of Arch Development, LLC (9)
T3B6	Amended and Restated Limited Liability Company Agreement of Arch Development, LLC (10)
T3A7	Certificate of Formation of Arch Energy Resources, LLC (11)
T3B7	Amended and Restated Limited Liability Company Agreement of Arch Energy Resources, LLC (12)
T3A8	Amended and Restated Certificate of Incorporation of Arch Reclamation Services, Inc. (13)
T3B8	Bylaws of Arch Reclamation Services, Inc. (14)
T3A9	Certificate of Incorporation of Arch Western Acquisition Corporation (15)
T3B9	Bylaws of Arch Western Acquisition Corporation (16)
T3A10	Certificate of Formation of Arch Western Acquisition, LLC*
T3B10	Limited Liability Company Agreement of Arch Western Acquisition, LLC*
T3A11	Certificate of Formation of Arch Western Bituminous Group, LLC (17)
T3B11	Amended and Restated Limited Liability Company Agreement of Arch Western Bituminous Group, LLC (18)
T3A12	Certificate of Formation of Arch Western Finance, LLC (19)
T3B12	Second Amended and Restated Limited Liability Company Agreement of Arch Western Finance, LLC (20)
T3A13	Certificate of Formation of Arch Western Resources, LLC (21)

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Exhibit	Description
T3B13	Limited Liability Company Agreement of Arch Western Resources, LLC (22)
T3A14	Certificate of Formation of Arch of Wyoming, LLC (23)
T3B14	Amended and Restated Limited Liability Company Agreement of Arch of Wyoming, LLC (24)
T3A15	Amended and Restated Certificate of Incorporation of Ark Land Company (25)
T3B15	Bylaws of Ark Land Company (26)
T3A16	Certificate of Incorporation of Ark Land KH, Inc. (27)
T3B16	Bylaws of Ark Land KH, Inc. (28)
T3A17	Amended and Restated Certificate of Incorporation of Ark Land LT, Inc. (29)
T3B17	Bylaws of Ark Land LT, Inc. (30)
T3A18	Amended and Restated Certificate of Incorporation of Ark Land WR, Inc. (31)
T3B18	Bylaws of Ark Land, WR, Inc. (32)
T3A19	Amended and Restated Certificate of Incorporation of Ashland Terminal, Inc. (33)
T3B19	Bylaws of Ashland Terminal, Inc. (34)
T3A20	Articles of Incorporation of Bronco Mining Company, Inc. (35)
T3B20	By-laws of Bronco Mining Company, Inc. (36)
T3A21	Amended and Restated Certificate of Incorporation of Catenary Coal Holdings, Inc. (37)
T3B21	Bylaws of Catenary Coal Holdings, Inc. (38)
T3A22	Amended and Restated Articles of Incorporation of Coal-Mac, Inc. (39)
T3B22	Bylaws of Coal-Mac, Inc. (40)
T3A23	Certificate of Formation of CoalQuest Development LLC (41)
T3B23	Third Amended and Restated Limited Liability Company Agreement of CoalQuest Development LLC (42)
T3A24	Amended and Restated Certificate of Incorporation of Cumberland River Coal Company (43)
T3B24	Bylaws of Cumberland River Coal Company (44)
T3A25	Articles of Incorporation of Hawthorne Coal Company, Inc. (45)
T3B25	Bylaws of Hawthorne Coal Company, Inc. (46)
T3A26	Certificate of Incorporation of Hunter Ridge, Inc. (47)
T3B26	By-laws of Hunter Ridge, Inc. (48)
T3A27	Certificate of Incorporation of Hunter Ridge Coal Company (49)
T3B27	By-laws of Hunter Ridge Coal Company (50)
T3A28	Certificate of Incorporation of Hunter Ridge Holdings, Inc. (51)
T3B28	By-laws of Hunter Ridge Holdings, Inc. (52)
T3A29	Second Amended and Restated Certificate of Incorporation of ICG, Inc. (53)
T3B29	Amended and Restated Bylaws of ICG, Inc. (54)
T3A30	Certificate of Formation of ICG, LLC (55)
T3B30	Amended and Restated Limited Liability Company Agreement of ICG, LLC (56)
T3A31	Certificate of Formation of ICG Beckley, LLC (57)
T3B31	Amended and Restated Limited Liability Company Agreement of ICG Beckley, LLC (58)
T3A32	Certificate of Formation of ICG East Kentucky, LLC (59)
T3B32	Amended and Restated Limited Liability Company Agreement of ICG East Kentucky, LLC (60)
T3A33	Certificate of Formation of ICG Eastern, LLC (61)
T3B33	Amended and Restated Limited Liability Company Agreement of ICG Eastern, LLC (62)
T3A34	Certificate of Formation of ICG Eastern Land, LLC (63)
T3B34	Amended and Restated Limited Liability Company Agreement of ICG Eastern Land, LLC (64)
T3A35	Certificate of Formation of ICG Illinois, LLC (65)
T3B35	Amended and Restated Limited Liability Company Agreement of ICG Illinois, LLC (66)
T3A36	Certificate of Formation of ICG Knott County, LLC (67)
T3B36	Amended and Restated Limited Liability Company Agreement of ICG Knott County, LLC (68)
T3A37	Certificate of Formation of ICG Natural Resources, LLC (69)

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Exhibit	Description
T3B37	Amended and Restated Limited Liability Company Agreement of ICG Natural Resources, LLC (70)
T3A38	Certificate of Formation of ICG Tygart Valley, LLC (71)
T3B38	Amended and Restated Limited Liability Company Agreement of ICG Tygart Valley, LLC (72)
T3A39	Second Amended and Restated Certificate of Incorporation of International Coal Group, Inc. (73)
T3B39	Second Amended and Restated By-Laws of International Coal Group, Inc. (74)
T3A40	Articles of Incorporation of Juliana Mining Company, Inc. (75)
T3B40	By-laws of Juliana Mining Company, Inc. (76)
T3A41	Articles of Incorporation of King Knob Coal Co., Inc. (77)
T3B41	Amended and Restated By-laws of King Knob Coal Co., Inc. (78)
T3A42	Amended and Restated Certificate of Incorporation of Lone Mountain Processing, Inc. (79)
T3B42	Bylaws of Lone Mountain Processing, Inc. (80)
T3A43	Certificate of Incorporation of Marine Coal Sales Company (81)
T3B43	First Amended and Restated By-laws of Marine Coal Sales Company (82)
T3A44	Articles of Incorporation of Melrose Coal Company, Inc. (83)
T3B44	By-laws of Melrose Coal Company, Inc. (84)
T3A45	Amended and Restated Certificate of Incorporation of Mingo Logan Coal Company (85)
T3B45	Bylaws of Mingo Logan Coal Company (86)

T3A46	Certificate of Formation of Mountain Coal Company, L.L.C. (87)
T3B46	Amended and Restated Limited Liability Company Agreement of Mountain Coal Company, L.L.C. (88)
T3A47	Amended and Restated Articles of Incorporation of Mountain Gem Land, Inc. (89)
T3B47	Bylaws of Mountain Gem Land, Inc. (90)
T3A48	Amended and Restated Certificate of Incorporation of Mountain Mining, Inc. (91)
T3B48	Bylaws of Mountain Mining, Inc. (92)
T3A49	Amended and Restated Certificate of Incorporation of Mountaineer Land Company (93)
T3B49	Bylaws of Mountaineer Land Company (94)
T3A50	Certificate of Formation of Otter Creek Coal, LLC (95)
T3B50	Amended and Restated Limited Liability Company Agreement of Otter Creek Coal, LLC (96)
T3A51	Agreement of Incorporation of Patriot Mining Company, Inc. (97)
T3B51	Amended and Restated By-laws of Patriot Mining Company, Inc. (98)
T3A52	Certificate of Formation of Powell Mountain Energy, LLC (99)
T3B52	Third Amended and Restated Limited Liability Company Agreement of Powell Mountain Energy, LLC (100)
T3A53	Certificate of Incorporation of Prairie Holdings, Inc. (101)
T3B53	Bylaws of Prairie Holdings, Inc. (102)
T3A54	Certificate of Formation of Shelby Run Mining Company, LLC (103)
T3B54	Amended and Restated Limited Liability Company Agreement of Shelby Run Mining Company, LLC (104)
T3A55	Certificate of Incorporation of Simba Group, Inc. (105)
T3B55	By-laws of Simba Group, Inc. (106)
T3A56	Certificate of Formation of Thunder Basin Coal Company, L.L.C. (107)
T3B56	Amended and Restated Limited Liability Company Agreement of Thunder Basin Coal Company, L.L.C. (108)
T3A57	Certificate of Formation of Triton Coal Company, L.L.C. (109)
T3B57	Fifth Amended and Restated Limited Liability Company Agreement of Triton Coal Company, L.L.C. (110)
T3A58	Certificate of Incorporation of Upshur Property, Inc. (111)
T3B58	By-laws of Upshur Property, Inc. (112)
T3A59	Articles of Incorporation of Vindex Energy Corporation (113)
T3B59	Bylaws of Vindex Energy Corporation (114)
T3A60	Amended and Restated Certificate of Incorporation of Western Energy Resources, Inc. (115)
T3B60	Bylaws of Western Energy Resources, Inc. (116)

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Exhibit	Description
T3A61	Articles of Incorporation of White Wolf Energy, Inc. (117)
T3B61	Bylaws of White Wolf Energy, Inc. (118)
T3A62	Articles of Incorporation of Wolf Run Mining Company (119)
T3B62	Amended By-laws of Wolf Run Mining Company (120)
T3C	Form of Indenture among Arch Coal, Inc., the subsidiary guarantors and U.S. Bank National Association, as trustee and collateral agent, for the 8.000% Senior Secured Notes due 2022**
T3D	Not Applicable
T3E	Offer to Exchange Notice, including the Form of Exchange Agreement (which in turn includes Annexes — entitled Description of New 2022 Secured Notes, certain Risk Factors and Certain U.S. Federal Income Tax Considerations)**
T3F	Cross-reference sheet showing the location in the New Indenture of the provisions inserted therein pursuant to Section 310 through 318(a), inclusive, of the Trust Indenture Act of 1939 (121)**
25.1	Statement of Eligibility and Qualification Under the Trust Indenture Act of 1939 of a Corporation Designated to Act as Trustee*

* Previously filed with the Form T-3 on July 2, 2015.

**Filed herewith.

- (1) Incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 5, 2006.
- (2) Incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 27, 2015.
- (3) Incorporated herein by reference to Exhibit 3.4 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (4) Incorporated herein by reference to Exhibit 3.5 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (5) Incorporated herein by reference to Exhibit 3.5 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (6) Incorporated herein by reference to Exhibit 3.6 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (7) Incorporated herein by reference to Exhibit 3.9 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.
- (8) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

- (9) Incorporated herein by reference to Exhibit 3.9 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (10) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (11) Incorporated herein by reference to Exhibit 3.11 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (12) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (13) Incorporated herein by reference to Exhibit 3.13 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (14) Incorporated herein by reference to Exhibit 3.14 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

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- (15) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (16) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (17) Incorporated herein by reference to Exhibit 3.5 to the Registration Statement on Form S-4 (Reg. No. 333-122141) filed by Arch Western Finance, LLC on January 19, 2005.
- (18) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (19) incorporated herein by reference to Exhibit 3.1 to the Registration Statement on Form S-4 (Reg. No. 333-107569) filed by Arch Western Finance, LLC on August 1, 2003.
- (20) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (21) Incorporated herein by reference to Exhibit 3.3 to the Registration Statement on Form S-4 (Reg. No. 333-107569) filed by Arch Western Finance, LLC on August 1, 2003.
- (22) Incorporated herein by reference to Exhibit 3.4 to the Registration Statement on Form S-4 (Reg. No. 333-107569) filed by Arch Western Finance, LLC on August 1, 2003.
- (23) Incorporated herein by reference to Exhibit 3.5 to the Registration Statement on Form S-4 (Reg. No. 333-107569) filed by Arch Western Finance, LLC on August 1, 2003.
- (24) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.
- (25) Incorporated herein by reference to Exhibit 3.15 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (26) Incorporated herein by reference to Exhibit 3.16 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (27) Incorporated herein by reference to Exhibit 3.17 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (28) Incorporated herein by reference to Exhibit 3.18 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (29) Incorporated herein by reference to Exhibit 3.19 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (30) Incorporated herein by reference to Exhibit 3.20 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (31) Incorporated herein by reference to Exhibit 3.21 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.
- (32) Incorporated herein by reference to Exhibit 3.22 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(33) Incorporated herein by reference to Exhibit 3.23 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(34) Incorporated herein by reference to Exhibit 3.24 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

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(35) Incorporated herein by reference to Exhibit 3.9 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(36) Incorporated herein by reference to Exhibit 3.10 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(37) Incorporated herein by reference to Exhibit 3.25 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(38) Incorporated herein by reference to Exhibit 3.26 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(39) Incorporated herein by reference to Exhibit 3.27 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(40) Incorporated herein by reference to Exhibit 3.28 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(41) Incorporated herein by reference to Exhibit 3.11 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(42) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(43) Incorporated herein by reference to Exhibit 3.29 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(44) Incorporated herein by reference to Exhibit 3.30 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(45) Incorporated herein by reference to Exhibit 3.13 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(46) Incorporated herein by reference to Exhibit 3.14 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(47) Incorporated herein by reference to Exhibit 3.39 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(48) Incorporated herein by reference to Exhibit 3.40 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(49) Incorporated herein by reference to Exhibit 3.17 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(50) Incorporated herein by reference to Exhibit 3.18 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(51) Incorporated herein by reference to Exhibit 3.43 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(52) Incorporated herein by reference to Exhibit 3.44 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(53) Incorporated herein by reference to Exhibit 3.35 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(54) Incorporated herein by reference to Exhibit 3.46 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

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(55) Incorporated herein by reference to Exhibit 3.39 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(56) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(57) Incorporated herein by reference to Exhibit 3.21 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(58) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(59) Incorporated herein by reference to Exhibit 3.27 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(60) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(61) Incorporated herein by reference to Exhibit 3.25 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(62) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(63) Incorporated herein by reference to Exhibit 3.23 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(64) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(65) Incorporated herein by reference to Exhibit 3.33 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(66) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(67) Incorporated herein by reference to Exhibit 3.37 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(68) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(69) Incorporated herein by reference to Exhibit 3.41 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(70) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(71) Incorporated herein by reference to Exhibit 3.43 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(72) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(73) Incorporated herein by reference to Exhibit 3.3 to the Registration Statement on Form S-1 (Reg. No. 333-124393) filed by International Coal Group, Inc. on May 28, 2005.

(74) Incorporated herein by reference to Exhibit 3.1 to International Coal Group, Inc.'s Current Report on Form 8-K filed on November 19, 2010).

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(75) Incorporated herein by reference to Exhibit 3.45 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(76) Incorporated herein by reference to Exhibit 3.46 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(77) Incorporated herein by reference to Exhibit 3.47 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(78) Incorporated herein by reference to Exhibit 3.48 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(79) Incorporated herein by reference to Exhibit 3.31 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(80) Incorporated herein by reference to Exhibit 3.32 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(81) Incorporated herein by reference to Exhibit 3.49 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(82) Incorporated herein by reference to Exhibit 3.50 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(83) Incorporated herein by reference to Exhibit 3.51 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(84) Incorporated herein by reference to Exhibit 3.51 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(85) Incorporated herein by reference to Exhibit 3.33 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(86) Incorporated herein by reference to Exhibit 3.34 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(87) Incorporated herein by reference to Exhibit 3.7 to the Registration Statement on Form S-4 (Reg. No. 333-107569) filed by Arch Western Finance, LLC on August 1, 2003.

(88) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(89) Incorporated herein by reference to Exhibit 3.35 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(90) Incorporated herein by reference to Exhibit 3.35 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(91) Incorporated herein by reference to Exhibit 3.37 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(92) Incorporated herein by reference to Exhibit 3.38 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(93) Incorporated herein by reference to Exhibit 3.38 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(94) Incorporated herein by reference to Exhibit 3.40 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

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(95) Incorporated herein by reference to Exhibit 3.41 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(96) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(97) Incorporated herein by reference to Exhibit 3.55 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(98) Incorporated herein by reference to Exhibit 3.56 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(99) Incorporated herein by reference to Exhibit 3.95 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(100) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(101) Incorporated herein by reference to Exhibit 3.43 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(102) Incorporated herein by reference to Exhibit 3.44 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(103) Incorporated herein by reference to Exhibit 3.99 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(104) Incorporated herein by reference to Exhibit 3.99 to the Registration Statement on Form S-4 (Reg. No. 333-179842) filed by the Company on March 1, 2010.

(105) Incorporated herein by reference to Exhibit 3.57 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(106) Incorporated herein by reference to Exhibit 3.58 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(107) Incorporated herein by reference to Exhibit 3.11 to the Registration Statement on Form S-4 (Reg. No. 333-107569) filed by Arch Western Finance, LLC on August 1, 2003.

(108) Incorporated herein by reference to Exhibit 3.10 to the Registrant Statement on Form S-4 (Reg. No. (Reg. No. 333-190654) filed by the Company on August 16, 2013.

(109) Incorporated herein by reference to Exhibit 3.17 to the Registration Statement on Form S-4 (Reg. No. 333-122141) filed by Arch Western Finance, LLC on January 19, 2005.

(110) Incorporated herein by reference to Exhibit 3.17 to the Registration Statement on Form S-4 (Reg. No. 333-122141) filed by Arch Western Finance, LLC on January 19, 2005.

(111) Incorporated herein by reference to Exhibit 3.59 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(112) Incorporated herein by reference to Exhibit 3.60 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(113) Incorporated herein by reference to Exhibit 3.63 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(114) Incorporated herein by reference to Exhibit 3.64 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

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(115) Incorporated herein by reference to Exhibit 3.45 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(116) Incorporated herein by reference to Exhibit 3.46 to the Registration Statement on Form S-4 (Reg. No. 333-165934) filed by the Company on May 7, 2010.

(117) Incorporated herein by reference to Exhibit 3.65 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(118) Incorporated herein by reference to Exhibit 3.66 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(119) Incorporated herein by reference to Exhibit 3.67 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(120) Incorporated herein by reference to Exhibit 3.68 to the Registration Statement on Form S-4 (Reg. No. 333-137402) filed by International Coal Group, Inc. on September 18, 2006.

(121) Included as part of Exhibit T3C.

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SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the applicant, Arch Coal, Inc., a corporation organized and existing under the laws of the State of Delaware, has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the city of St. Louis, and State of Missouri, on the 8th day of July, 2015.

(SEAL)

ARCH COAL, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Senior Vice President and Chief Financial Officer

(SEAL)

ACI TERMINAL, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ALLEGHENY LAND COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH COAL SALES COMPANY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH COAL WEST, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH DEVELOPMENT, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

[Table of Contents](#)

(SEAL)

ARCH ENERGY RESOURCES, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH RECLAMATION SERVICES, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH WESTERN ACQUISITION CORPORATION

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH WESTERN ACQUISITION, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH WESTERN BITUMINOUS GROUP, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ Jon S. Ploetz
Name: Jon S. Ploetz
Title: Secretary

(SEAL)

ARCH WESTERN FINANCE, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: President

(SEAL)

ARCH WESTERN RESOURCES, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARCH OF WYOMING, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ Jon S. Ploetz
Name: Jon S. Ploetz
Title: Secretary

[Table of Contents](#)

(SEAL)

ARK LAND COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARK LAND KH, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARK LAND LT, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ARK LAND WR, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ASHLAND TERMINAL, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

BRONCO MINING COMPANY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

CATENARY COAL HOLDINGS, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

COAL-MAC, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

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(SEAL)

COALQUEST DEVELOPMENT LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

CUMBERLAND RIVER COAL COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

HAWTHORNE COAL COMPANY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

HUNTER RIDGE, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

HUNTER RIDGE COAL COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

HUNTER RIDGE HOLDINGS, INC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ICG, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

(SEAL)

ICG, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Vice President

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(SEAL)		ICG BECKLEY, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG EAST KENTUCKY, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG EASTERN, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG EASTERN LAND, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG ILLINOIS, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG KNOTT COUNTY, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG NATURAL RESOURCES, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		ICG TYGART VALLEY, LLC
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President

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(SEAL)		INTERNATIONAL COAL GROUP, INC.
Attest:	<u>/s/ Jolene J. Mermis</u>	By: <u>/s/ John T. Drexler</u> Name: John T. Drexler Title: Vice President
(SEAL)		JULIANA MINING COMPANY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

KING KNOB COAL CO., INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

LONE MOUNTAIN PROCESSING, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

MARINE COAL SALES COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

MELROSE COAL COMPANY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

MINGO LOGAN COAL COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

[Table of Contents](#)

(SEAL)

MOUNTAIN COAL COMPANY, L.L.C.

Attest: /s/ Jolene J. Mermis

By: /s/ Jon S. Ploetz

Name: Jon S. Ploetz
Title: Secretary

(SEAL)

MOUNTAIN GEM LAND, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

MOUNTAIN MINING, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

MOUNTAINEER LAND COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

OTTER CREEK COAL, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

PATRIOT MINING COMPANY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

POWELL MOUNTAIN ENERGY, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

PRAIRIE HOLDINGS, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

[Table of Contents](#)

(SEAL)

SHELBY RUN MINING COMPANY, LLC

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

SIMBA GROUP, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

THUNDER BASIN COAL COMPANY, L.L.C.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

TRITON COAL COMPANY, L.L.C.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

UPSHUR PROPERTY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

VINDEX ENERGY CORPORATION

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

WESTERN ENERGY RESOURCES, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

(SEAL)

WHITE WOLF ENERGY, INC.

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

61

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(SEAL)

WOLF RUN MINING COMPANY

Attest: /s/ Jolene J. Mermis

By: /s/ John T. Drexler

Name: John T. Drexler
Title: Vice President

62

Arch Coal, Inc.,
as Issuer

the Guarantors party hereto,

U.S. Bank National Association,
as Trustee

U.S. Bank National Association,
as Collateral Agent

Indenture
Dated as of [·], 2015

8.000% Senior Secured Notes due 2022

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	7.11
(a)(4)	N.A.
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(e)	14.06
(f)	N.A.
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N.A. means not applicable

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Exhibits

Exhibit A	Form of Note
Exhibit B	Form of Transfer Certificate for Transfer [from Restricted Global Note to Registered Global Note or Regulation S Global Note]
Exhibit C	Form of Transfer Certificate for Transfer [from Regulation S Global Note to Registered Global Note or Restricted Global Note]

INDENTURE dated as of [·], 2015, (the “**Indenture**”) among Arch Coal, Inc., a Delaware corporation (“**Arch Coal**” or the “**Company**”), the Guarantors party hereto (collectively, the “**Guarantors**”) and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States, in its capacity as trustee (the “**Trustee**”) and U.S. Bank National Association, in its capacity as collateral agent (the “**Collateral Agent**”).

RECITALS OF ARCH COAL AND THE GUARANTORS

Arch Coal has duly authorized the execution and delivery of this Indenture to provide for the issuance of its 8.000% Senior Secured Notes due 2022 issued on the date hereof (the “**Original Notes**”) and (ii) any additional Notes (“**Additional Notes**”) and together with the Original Notes, the “**Notes**”) that may be issued on any other Issue Date (as defined herein). Each Guarantor has duly authorized the execution and delivery of this Indenture to provide for the issuance of its Guarantee of the Notes. Each of Arch Coal and the Guarantors has received good and valuable consideration for the execution and delivery of this Indenture and the issuance of the Guarantees, as the case may be. Each Guarantor will derive substantial direct and indirect benefits from the issuance of its Guarantee of the Notes. All necessary acts and things have been done to make (i) the Notes, when duly issued and executed by Arch Coal and authenticated and delivered hereunder, the legal, valid and binding obligations of Arch Coal, (ii) the Guarantees evidenced by this Indenture, when executed by each Guarantor and delivered hereunder, the legal, valid and binding obligation of each Guarantor and (iii) this Indenture a legal, valid and binding agreement of Arch Coal and each of the Guarantors in accordance with the terms of this Indenture.

This Indenture is subject to, and will be governed by, the provisions of the Trust Indenture Act that are required to be a part of and govern indentures qualified under the Trust Indenture Act.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders, as follows:

Article 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. *Definitions.*

“**1.5 Lien Obligations**” means the Debt incurred and Obligations under this Indenture and any Pari Passu Secured Debt.

“**1.5 Priority Liens**” means all Liens in favor of the Collateral Agent on Collateral securing the 1.5 Lien Obligations, including, without limitation, any Pari Passu Secured Debt.

“**Additional Assets**” means:

(a) any Property (other than cash, Cash Equivalents and securities) to be owned by Arch Coal or any of its Restricted Subsidiaries and used in a Permitted Business; or

(b) Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Arch Coal or another Restricted Subsidiary from any Person other than Arch Coal or an Affiliate of Arch Coal; *provided, however*, that, in the case of this clause (b), such Restricted Subsidiary is primarily engaged in a Permitted Business.

“**Affiliate**” of any specified Person means:

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; or

(b) any other Person who is a director or officer of:

(1) such specified Person;

(2) any Subsidiary of such specified Person; or

(3) any Person described in clause (a) above.

For the purposes of this definition, “control,” when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Amended and Restated Credit Agreement**” means that certain Amended and Restated Revolving Credit Agreement, dated as of June 14, 2011 and amended as of May 16, 2012, November 20, 2012, November 21, 2012 and December 17, 2013, by and among Arch Coal, PNC Bank, National Association, as Administrative Agent and the other lenders named therein providing for up to \$2.05 billion of term loan borrowings, including the New Term Loans, and \$254.0 million of revolving credit borrowings, including the New Revolving Loans, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, restated, modified, renewed, refunded, replaced or refinanced from time to time, regardless of whether such amendment, restatement, modification, renewal, refunding, replacement or refinancing is with the same financial institutions or otherwise.

“**Applicable Premium**” means with respect to any Note on any Redemption Date, the greater of:

(a) 1.0% of the principal amount of such Note on such Redemption Date; and

(b) the excess, if any, of (i) the present value at such Redemption Date of (A) the redemption price of such Note at August 15, 2018 (each such redemption price being set forth in the applicable table in Section 3.01 of this Indenture), plus (B) all required interest payments due on

such Note through August 15, 2018 (excluding accrued but unpaid interest to the Redemption Date), computed using a discount rate equal to the Treasury Rate as of such Redemption Date plus 50 basis points; over (ii) the principal amount of such Note.

“**Arch Coal**” has the meaning ascribed thereto in the preamble.

“**Arch Coal 9.875% Senior Notes Indenture**” means the indenture dated as of November 21, 2012 by and among Arch Coal, the subsidiary guarantors named therein and UMB Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

“**Arch Coal 8¾% Senior Notes Indenture**” means the indenture dated as of July 31, 2009 by and among Arch Coal, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

“**Arch Coal 7¼% Senior Notes Indenture**” means the indenture dated as of August 9, 2010, as supplemented by a first supplemental indenture dated as of August 9, 2010 by and among Arch Coal, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as further amended or supplemented to the Issue Date.

“**Arch Coal 7.000% Senior Notes and 7.250% Senior Notes Indenture**” means the indenture dated as of June 14, 2011 by and among Arch Coal, the subsidiary guarantors named therein and UMB Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

“**Arch Coal Secured Notes**” means (i) the \$350.0 million aggregate principal amount of 8.000% senior secured second lien notes due 2019 issued by Arch Coal and (ii) up to \$150.0 million aggregate principal amount of the New 2023 Secured Notes that may be issued in the Exchange Offer.

“**Arch Coal Secured Notes Indentures**” means the indenture dated as of December 17, 2013 by and among Arch Coal, the subsidiary guarantors named therein and UMB Bank National Association as trustee and collateral agent, pursuant to which Arch Coal’s 8.000% senior secured second lien notes due 2019 were issued, as amended or supplemented to the Issue Date, and the indenture pursuant to which the New 2023 Secured Notes will be issued on the Issue Date.

“**Arch Coal Senior Notes**” means (i) the \$375.0 million aggregate principal amount of 9.875% Senior Notes due 2019 issued by Arch Coal, (ii) the \$600.0 million aggregate principal amount of 8¾% Senior Notes due 2016 issued by Arch Coal; (iii) the \$500.0 million aggregate principal amount of 7¼% Senior Notes due 2020 issued by

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Arch Coal; (iv) the \$1,000.0 million aggregate principal amount of 7.000% Senior Notes due 2019 issued by Arch Coal; and (v) the \$1,000.0 million aggregate principal amount of 7.250% Senior Notes due 2021 issued by Arch Coal.

“**Arch Coal Senior Notes Indentures**” means the Arch Coal 9.875% Senior Notes Indenture, the Arch Coal 7¼% Senior Notes Indenture, the Arch Coal 8¾% Senior Notes Indenture and the Arch Coal 7.000% Senior Notes and 7.250% Senior Notes Indenture.

“**Arch Pass Through Trust**” means the statutory trust formed under the Delaware Statutory Trust Act on July 1, 2015 and the issuer of 6.25% Trust Certificates due 2021.

“**Asset Sale**” means any sale, lease, transfer, issuance or other disposition (or series of related sales, leases, transfers, issuances or dispositions) by Arch Coal or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a “**disposition**”), of

- (a) any shares of Capital Stock of a Restricted Subsidiary (other than directors’ qualifying shares); or
- (b) any other Property of Arch Coal or any of its Restricted Subsidiaries outside of the ordinary course of business of Arch Coal or such Restricted Subsidiary, other than, in the case of clause (a) or (b) above,
 - (1) any disposition by a Restricted Subsidiary to Arch Coal or by Arch Coal or its Restricted Subsidiary to a Restricted Subsidiary;
 - (2) any disposition that constitutes a Permitted Investment or Restricted Payment permitted by Section 4.08 of this Indenture;
 - (3) any disposition effected in compliance with Section 5.01(a) and (b) of this Indenture; and
 - (4) any disposition in a single transaction or a series of related transactions of assets for aggregate consideration of less than \$100.0 million;
 - (5) a disposition of Cash Equivalents;
 - (6) a disposition of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
 - (7) a disposition of any property or equipment that has become damaged, worn out or obsolete;

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- (8) any disposition of accounts receivable and related assets or an interest therein pursuant to a Receivables Facility;
- (9) the creation or perfection of a Lien not prohibited by this Indenture (but not the sale or other disposition of any asset subject to such Lien);
- (10) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; and
- (11) the sale or other disposition (whether or not in the ordinary course of business) of coal properties, provided at the time of such sale or other disposition such properties do not have associated with them any proved reserves.

“**Average Life**” means, as of any date of determination, with respect to any Debt or Preferred Stock, the quotient obtained by dividing:

- (a) the sum of the product of the numbers of years (rounded to the nearest one-twelfth of one year) from the date of determination to the dates of each successive scheduled principal payment of such Debt or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by
- (b) the sum of all such payments.

“**Bankruptcy Law**” means any law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law, including, without limitation, the bankruptcy law of Arch Coal’s jurisdiction and title 11, United States Bankruptcy Code of 1978, as amended.

“**Board of Directors**” means the board of directors of Arch Coal.

“**Business Day**” means any day (other than a Saturday or Sunday) which is not a day on which banking institutions in New York, New York are authorized or obligated by law to close for business.

“**Capital Lease Obligations**” means any obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; and the amount of Debt represented by such obligation shall be the capitalized amount of such obligations determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of Section 4.07 of this Indenture, a Capital Lease Obligation shall be deemed secured by a Lien on the Property being leased.

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“**Capital Stock**” means, with respect to any Person, any shares or other equivalents (however designated) of any class of corporate stock or partnership or limited liability company interests or any other participations, rights, warrants, options or other interests in the nature of an equity interest in such Person, including Preferred Stock, but excluding any debt security convertible or exchangeable into such equity interest.

“**Capital Stock Sale Proceeds**” means the aggregate proceeds, including cash and the Fair Market Value of Property other than cash, received by Arch Coal from the issuance or sale (other than to a Subsidiary of Arch Coal or an employee stock ownership plan or trust established by Arch Coal or any such Subsidiary for the benefit of their employees) by Arch Coal of its Capital Stock (other than Disqualified Stock) or from a contribution to its common equity capital, in each case after the Issue Date, and net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale or contribution, as the case may be, and net of taxes paid or payable as a result thereof.

“**Cash Equivalents**” means any of the following:

- (a) Investments in U.S. Government Obligations maturing within 365 days of the date of acquisition thereof;
- (b) Investments in time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company organized under the laws of the United States of America or any state thereof having capital, surplus and undivided profits aggregating in excess of \$500.0 million and whose long-term debt is rated “A-3” or “A-” or higher according to Moody’s or S&P (or such similar equivalent rating by at least one “nationally recognized statistical rating organization” (as defined in Section 3(a)(62) of the Exchange Act));
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with:
 - (1) a bank meeting the qualifications described in clause (b) above or
 - (2) any primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York;
- (d) Investments in commercial paper, maturing not more than 365 days after the date of acquisition, issued by a corporation (other than an Affiliate of Arch Coal) organized and in existence under the laws of the United States of America with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or such similar equivalent rating by at least one “nationally recognized statistical rating organization” (as defined in Section 3(a)(62) of the Exchange Act));

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(e) direct obligations (or certificates representing an ownership interest in such obligations) of any state of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such state is pledged and which are not callable or redeemable at the issuer's option; *provided that*:

(1) the long-term debt of such state is rated "A-3" or "A-" or higher according to Moody's or S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act)), and

(2) such obligations mature within 365 days of the date of acquisition thereof; and

(f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (e) of this definition.

"Change of Control" means the occurrence of any of the following events:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provisions to either of the foregoing), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act, except that a person will be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 50% or more of the total voting power of the Voting Stock of Arch Coal (for purposes of this clause (a), such person or group shall be deemed to beneficially own any Voting Stock of a corporation held by any other corporation (the "**parent corporation**") so long as such person or group beneficially owns, directly or indirectly, in the aggregate at least a majority of the total voting power of the Voting Stock of such parent corporation); or

(b) the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the Property of Arch Coal and its Restricted Subsidiaries, considered as a whole (other than a disposition of such Property as an entirety or virtually as an entirety to a Wholly Owned Restricted Subsidiary of Arch Coal), shall have occurred; or

(c) the adoption of any plan of liquidation or dissolution of Arch Coal.

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

"Collateral" means, collectively, all of the property and assets, in each case, that are from time to time held by Arch Coal or any of the Guarantors, to the extent that such assets secure the First Lien Obligations and to the extent that a junior-priority security

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interest is able to be granted or perfected therein, in each case, other than Excluded Collateral.

"Collateral Agent" means U.S. Bank National Association, in its capacity as collateral agent under the Security Documents together with its successors.

"Commission" means the U.S. Securities and Exchange Commission.

"Commodity Price Protection Agreement" means, in respect of a Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement.

"Concurrent Exchange Offer and Consent Solicitation" means the offer by Arch Coal and Arch Pass Through Trust to exchange 6.25% Trust Certificates due 2021 of Arch Pass Through Trust for any and all outstanding 7 1/4% Senior Notes due 2020 of Arch Coal pursuant to that certain Confidential Offering Memorandum and Consent Solicitation Statement dated as of July 2, 2015.

"Concurrent Ineligible Holders Offer" means the offer by Arch Coal to holders of the 7 1/4% Senior Notes due 2020 of Arch Coal, who are not eligible to participate in the Exchange Offer or the Concurrent Exchange Offer and Consent Solicitation to exchange their 7 1/4% Senior Notes due 2020 of Arch Coal for the 6.25% Trust Certificates due 2021 of Arch Pass Through Trust.

"Consolidated Current Liabilities" means, as of any date of determination, the aggregate amount of liabilities of Arch Coal and its consolidated Restricted Subsidiaries which may properly be classified as current liabilities (including taxes accrued as estimated), after eliminating:

(a) all intercompany items between Arch Coal and any Restricted Subsidiary or between Restricted Subsidiaries; and

(b) all current maturities of long-term Debt.

"Consolidated Interest Coverage Ratio" of a Person means, as of any date of determination, the ratio of:

(a) the aggregate amount of EBITDA of such Person for the most recent four consecutive fiscal quarters for which internal financial statements are available to

(b) Consolidated Interest Expense of such Person for such four fiscal quarters;

provided, however, that:

(1) if

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(A) since the beginning of such period such Person or any Restricted Subsidiary of such Person has Incurred any Debt that remains outstanding or Repaid any Debt or

(B) the transaction giving rise to the need to calculate the Consolidated Interest Coverage Ratio is an Incurrence or Repayment of Debt,

Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Incurrence or Repayment as if such Debt was Incurred or Repaid on the first day of such period, *provided* that, in the event of any such Repayment of Debt, EBITDA for such period shall be calculated as if such Person or such Restricted Subsidiary of such Person had not earned any interest income actually earned during such period in respect of the funds used to Repay such Debt, and

(2) if

(A) since the beginning of such period such Person or any Restricted Subsidiary of such Person shall have made any Asset Sale or an Investment (by merger or otherwise) in any Restricted Subsidiary of such Person (or any Person which becomes a Restricted Subsidiary of such Person) or an acquisition of Property which constitutes all or substantially all of an operating unit of a business;

(B) the transaction giving rise to the need to calculate the Consolidated Interest Coverage Ratio is such an Asset Sale, Investment or acquisition; or

(C) since the beginning of such period any other Person (that subsequently became a Restricted Subsidiary of such Person or was merged with or into such Person or any Restricted Subsidiary of such Person since the beginning of such period) shall have made such an Asset Sale, Investment or acquisition,

then EBITDA for such period shall be calculated after giving *pro forma* effect to such Asset Sale, Investment or acquisition as if such Asset Sale, Investment or acquisition had occurred on the first day of such period.

If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the base interest rate in effect for such floating rate of interest on the date of determination had been the applicable base interest rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt if such Interest Rate Agreement has a remaining term in excess of 12 months). In the event the Capital Stock of any Restricted Subsidiary of such Person is sold during the period, such Person shall be deemed, for purposes of clause (1) above, to have Repaid during such period the Debt of such Restricted Subsidiary to the extent

such Person and its continuing Restricted Subsidiaries are no longer liable for such Debt after such sale.

“**Consolidated Interest Expense**” of a Person means, for any period, the total interest expense of such Person and its consolidated Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent Incurred by such Person or its Restricted Subsidiaries,

- (a) interest expense attributable to Capital Lease Obligations;
- (b) amortization of debt discount and debt issuance cost, including commitment fees;
- (c) capitalized interest;
- (d) non-cash interest expense;
- (e) commissions, discounts and other fees and charges owed with respect to letters of credit and banker’s acceptance financing;
- (f) net costs associated with Interest Rate Agreements (including amortization of fees);
- (g) Disqualified Stock Dividends;
- (h) Preferred Stock Dividends;
- (i) interest Incurred in connection with Investments in discontinued operations;
- (j) interest accruing on any Debt of any other Person to the extent such Debt is Guaranteed by such Person or any of its Restricted Subsidiaries; and
- (k) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than such Person) in connection with Debt Incurred by such plan or trust.

“**Consolidated Net Income**” of a Person means, for any period, the net income (loss) of such Person and its consolidated Restricted Subsidiaries; *provided, however*, that there shall not be included in such Consolidated Net Income:

- (a) any net income (loss) of any other Person (other than such Person) if such other Person is not a Restricted Subsidiary, except that:
 - (1) subject to the exclusion contained in clause (c) below, equity of such Person and its consolidated Restricted Subsidiaries in the net income of any such other Person for such period shall be included in

such Consolidated Net Income up to the aggregate amount of cash distributed by such other Person during such period to such Person or its Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (b) below); and

(2) the equity of such Person and its consolidated Restricted Subsidiaries in a net loss of any other Person for such period shall be included in determining such Consolidated Net Income to the extent such Person or any Restricted Subsidiary of such Person has actually contributed, lent or transferred cash to such other Person;

(b) any net income (loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to such Person, except that:

(1) subject to the exclusion contained in clause (c) below, the equity of such Person and its consolidated Restricted Subsidiaries in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash that is or could be dividended or distributed or otherwise paid (including through making loans and repaying Debt) by such Restricted Subsidiary during such period to such Person or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to another Restricted Subsidiary, to the limitation contained in this clause (b)); and

(2) the equity of such Person and its consolidated Restricted Subsidiaries in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(c) any gain or loss realized upon the sale or other disposition of any Property of such Person or any of its consolidated Subsidiaries (including pursuant to any Sale and Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business;

(d) any extraordinary gain or loss;

(e) fees, expenses or charges related to the Transactions;

(f) the cumulative effect of a change in accounting principles; and

(g) any non-cash compensation expense realized for grants of performance shares, stock options or other rights to officers, directors and employees of such Person or any Restricted Subsidiary, *provided* that such shares, options or other rights can be redeemed at the option of the holder only for Capital Stock of such Person (other than Disqualified Stock).

Notwithstanding the foregoing, for purposes of Section 4.08 of this Indenture only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of Property from Unrestricted Subsidiaries to such Person or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (c)(4) thereof.

“Consolidated Net Tangible Assets” means, as of any date of determination, the sum of the amounts that would appear on a consolidated balance sheet of Arch Coal and its consolidated Restricted Subsidiaries, less any amounts attributable to non-Wholly Owned Restricted Subsidiaries that are not consolidated with Arch Coal and plus the portion of the consolidated net tangible assets of a non-Wholly Owned Restricted Subsidiary that is not consolidated with Arch Coal equal to the percentage of its outstanding Capital Stock owned by Arch Coal and its Restricted Subsidiaries, as of the end of the most recent fiscal quarter for which internal financial statements are available as the total assets (determined on a pro forma basis to give effect to any acquisition or disposition of assets made after such balance sheet date and on or prior to such date of determination), and less accumulated depreciation and amortization, allowances for doubtful receivables, other applicable reserves and other properly deductible items) of Arch Coal and its Restricted Subsidiaries, after giving effect to purchase accounting and after deducting therefrom Consolidated Current Liabilities and, to the extent otherwise included, the amounts of (without duplication):

(a) the excess of cost over fair market value of assets or businesses acquired;

(b) any revaluation or other write-up in book value of assets subsequent to the last day of the fiscal quarter of Arch Coal immediately preceding the Issue Date as a result of a change in the method of valuation in accordance with GAAP; and

(c) unamortized debt discount and expenses and other unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses, organization or developmental expenses and other intangible items.

“Corporate Trust Office” means the office of the Trustee, at which at any particular time its corporate trust business shall be administered, which office at the date of execution of this Indenture is located at U.S. Bank National Association, [One U.S. Bank Plaza, Mail Code SL-MO-T6CT, St. Louis, Missouri 63101, Attention: Corporate Trust Department] or such other address as the Trustee may designate from time to time by notice to the Holders and Arch Coal, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and to Arch Coal).

“Credit Facilities” means, one or more debt facilities (including, without limitation, the Amended and Restated Credit Agreement), or other financing

arrangements (including, without limitation, commercial paper facilities or indentures, in each case with banks, investment banks, insurance companies, mutual funds, other institutional lenders, a trustee or any of the foregoing) providing for revolving credit loans, term loans, notes, bonds, indentures, debentures, receivables financing (including through the sale of receivables to such lenders, other financiers or to special purpose entities formed to borrow from (or sell such receivables to) such lenders or other financiers against such receivables), letters of credit, bankers' acceptances, other borrowings or issuances of notes, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (in each case, without limitation as to amount) in whole or in part from time to time and any agreements and related documents governing Debt or obligations incurred to Refinance amounts then outstanding or permitted to be outstanding.

"Currency Exchange Protection Agreement" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement.

"Custodian" means any receiver, trustee, assignee, liquidator, custodian, administrator or similar official under any Bankruptcy Law.

"Debt" means, with respect to any Person on any date of determination (without duplication):

- (a) the principal of and premium (if any) in respect of:
 - (1) debt of such Person for money borrowed, and
 - (2) debt evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;
- (b) all Capital Lease Obligations of such Person;
- (c) all obligations of such Person representing the deferred purchase price of Property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreements (but excluding in-kind obligations of such Person relating to net coal balancing positions or bookouts and trade accounts payable, in either case arising in the ordinary course of business);
- (d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

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- (e) the amount of all obligations of such Person with respect to the Repayment of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (f) all obligations of the type referred to in clauses (a) through (e) above of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;
- (g) all obligations of the type referred to in clauses (a) through (f) above of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the Fair Market Value of such Property and the amount of the obligation so secured; and
- (h) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

The amount of Debt of any Person at any date shall be the outstanding balance, or the accreted value of such Debt in the case of Debt issued with original issue discount, at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date and provided that any obligations under or in respect of operating leases shall be deemed not to constitute Debt. The amount of Debt represented by a Hedging Obligation shall be equal to:

- (1) zero if such Hedging Obligation has been Incurred pursuant to clause (5), (6) or (7) of Section 4.06(b) of this Indenture;
- or
- (2) the notional amount of such Hedging Obligation if not Incurred pursuant to such clauses.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Depositary" means DTC until a successor Depositary, if any, shall have become such pursuant to this Indenture, and thereafter Depositary shall mean or include each Person who is then a Depositary hereunder.

"Discharge of First Lien Obligations" means (a) cash payment in full of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in any such Insolvency or Liquidation Proceeding) on all outstanding Debt included in the First Lien Obligations, (b) termination or expiration of any commitments to extend credit that would be First Lien Obligations, (c) termination or cash collateralization (in an amount and manner required by the Amended and Restated Credit Agreement), of all letters of credit and contingent obligations of each issuer of such letters of credit in respect of such letters of credit, (d) cash collateralization or other arrangements

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reasonably satisfactory to First Lien Agent for any indemnification obligations not yet due and payable but for which a claim or demand has been made against a First Lien Secured Party, and (e) cash payment in full of all other First Lien Obligations that are due and payable or otherwise accrued and owing at or prior to the time principal and interest described in clause (a) are paid (other than indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time).

“**Disqualified Stock**” means any Capital Stock of a Person or any of its Restricted Subsidiaries that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or otherwise:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part; or
- (c) is convertible or exchangeable at the option of the holder thereof for Debt or Disqualified Stock,

on or prior to, in the case of clause (a), (b) or (c), the first anniversary of the Stated Maturity of the Notes. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Arch Coal to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if (i) the “Asset Sale” or “Change of Control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in Section 4.09 of this Indenture and Section 4.11 of this Indenture and (ii) such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to Arch Coal’s repurchase of such Notes as are required to be repurchased pursuant to Section 4.09 of this Indenture and Section 4.11 of this Indenture.

“**Disqualified Stock Dividends**” of a Person means all dividends (other than dividends paid in Capital Stock (except Disqualified Stock) of Arch Coal) with respect to Disqualified Stock of such Person held by Persons other than a Wholly Owned Restricted Subsidiary of such Person. The amount of any such dividend shall be equal to the quotient of such dividend divided by the difference between one and the maximum statutory federal income tax rate (expressed as a decimal number between 1 and 0) then applicable to such Person.

“**DTC**” means The Depository Trust Company.

“**EBITDA**” of a Person means, for any period, an amount equal to, for such Person and its consolidated Restricted Subsidiaries:

(a) the sum of Consolidated Net Income for such period, plus the following to the extent reducing Consolidated Net Income for such period:

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- (1) the provision for taxes based on income or profits or utilized in computing net loss;
- (2) Consolidated Interest Expense;
- (3) depreciation and depletion;
- (4) amortization of intangibles;
- (5) any other non-cash items (other than any such non-cash item to the extent that it represents an accrual of, or reserve for, cash expenditures in any future period);
- (6) accruals of Postretirement Medical Liabilities, as defined by GAAP, net of cash payments for such Postretirement Medical Liabilities;
- (7) accretion of asset retirement obligations in accordance with SFAS No. 143, Accounting for Asset Retirement Obligations, and any similar accounting in prior periods, net of cash payments for such asset retirement obligations;
- (8) the amount of any unusual or non-recurring losses or charges (or minus any unusual or non-recurring gains), including without limitation, restructuring charges such as retention, severance, systems establishment costs or excess pension, OPEB, black lung settlement, curtailment or other excess charges and fees, expenses or charges related to any offering of Capital Stock or Debt of such Person permitted to be Incurred;
- (9) any net loss (or minus any net gain) attributable to the early extinguishment of Debt, including, without limitation, any premiums or similar charges related to any Debt Refinancing; and
- (10) to the extent not included in (1) through (9) above, the portion of any of the items described in (1) through (9) above of a non-Wholly Owned Restricted Subsidiary that is not consolidated with such Person equal to the percentage of the outstanding common Capital Stock of the non-Wholly Owned Restricted Subsidiary owned by such Person and its Restricted Subsidiaries, minus

(b) all non-cash items increasing Consolidated Net Income for such period (other than any such non-cash item to the extent that it will result in the receipt of cash payments in any future period).

Notwithstanding the foregoing clause (a), the provision for taxes and the depreciation, amortization and non-cash items of a Restricted Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same

proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended or distributed or otherwise paid (including through making loans and repaying debt) to such Person by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its shareholders or members.

“**Equity Offering**” means a public or private offering of common Capital Stock (other than Disqualified Stock) of Arch Coal (other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of Arch Coal).

“**Event of Default**” has the meaning set forth under Section 6.01 of this Indenture.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Exchange Offer**” means the offer by Arch Coal and Arch Pass Through Trust to exchange any and all of certain of the Arch Coal Senior Notes for (i) 6.25% Trust Certificates due 2021, (ii) the Notes or (iii) New 2023 Secured Notes pursuant to that certain Confidential Offering Memorandum, dated as of July 2, 2015.

“**Existing Intercreditor Agreement**” means the joinder intercreditor agreement (together with each joinder, supplement, document or agreement thereto pursuant to which Pari Passu Secured Debt will be subject to the same terms and conditions) entered into by and among Arch Coal, the Guarantors, the Collateral Agent and each First Lien Agent as amended, modified, restated or supplemented from time to time.

“**Excluded Collateral**” has the meaning set forth in the Security Agreements.

“**Fair Market Value**” means, with respect to any Property, the price that could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise provided,

(a) if such Property has a Fair Market Value equal to or less than \$100.0 million, by Arch Coal’s principal financial officer; or

(b) if such Property has a Fair Market Value in excess of \$100.0 million, by at least a majority of the disinterested members of the Board of Directors and evidenced by a Board Resolution, dated within 30 days of the relevant transaction, delivered to the Trustee.

“**First Lien Agent**” means each collateral agent under the Amended and Restated Credit Agreement.

“**First Lien Cap**” means, on any date of determination, the greater of (a) \$2.5 billion and (b) 30% of Consolidated Net Tangible Assets.

“**First Lien Documents**” means the Amended and Restated Credit Agreement, the other Loan Documents (as defined in the Amended and Restated Credit Agreement), and each of the other agreements, documents, and instruments providing for or evidencing any other First Lien Obligation and any other document or instrument executed or delivered at any time in connection with any First Lien Obligation (including any intercreditor or joinder agreement among holders of First Lien Obligations), to the extent such are effective at the relevant time, as each may be amended, modified, restated, supplemented, replaced or refinanced from time to time (whether or not with the same lenders or agents).

“**First Lien Lenders**” means the “**Lenders**” from time to time party to, and as defined in, the Amended and Restated Credit Agreement, together with their respective successors and assigns.

“**First Lien Obligations**” means (i) all Obligations under (and as defined in) Credit Facilities, including, but not limited to, the Amended and Restated Credit Agreement and under any other document relating to Credit Facilities; provided that the aggregate principal amount of, without duplication, revolving credit loans, letters of credit, term loans, other loans, notes or similar instruments provided for under Credit Facilities or any other document relating to Credit Facilities in excess of the First Lien Cap, and any interest relating to such excess amount, shall not constitute First Lien Obligations for purposes of this Indenture and (ii) Hedging Obligations incurred in the ordinary course of business and permitted to be Incurred and so secured under the Amended and Restated Credit Agreement, in each case, to the extent secured by a Lien on the Collateral (or other assets) ranking senior to the Liens securing the Obligations hereunder. “**First Lien Obligations**” shall in any event include: (a) all interest accrued or accruing, or which would accrue, absent commencement of an Insolvency or Liquidation Proceeding (and the effect of provisions such as Section 502(b)(2) of the Bankruptcy Code), on or after the commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant First Lien Document, whether or not the claim for such interest allowed or allowable as a claim in such Insolvency or Liquidation Proceeding, (b) any and all fees and expenses (including attorneys’ and/or financial consultants’ fees and expenses) incurred by the First Lien Agent and the First Lien Secured Parties on or after the commencement of an Insolvency or Liquidation Proceeding, whether or not the claim for fees and expenses is allowed or allowable under Section 502 or 506(b) of the Bankruptcy Code or any other provision of the Bankruptcy Code or any similar federal, state or foreign law for the relief of debtors as a claim in such Insolvency or Liquidation Proceeding, and (c) all obligations and liabilities of each Issuer and each Guarantor under each First Lien Document to which it is a party which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due and payable.

“**First Lien Secured Parties**” means each of the “**First Lien Claimholders**” as such term is defined in the New Intercreditor Agreement.

“**First Priority Liens**” means all Liens that secure the First Lien Obligations.

“**Foreign Subsidiary**” means any Subsidiary of Arch Coal that is not organized under the laws of the United States of America or any state thereof or the District of Columbia.

“**GAAP**” means United States generally accepted accounting principles as in effect on the Issue Date, including those set forth in:

- (a) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board;
- (b) the statements and pronouncements of the Financial Accounting Standards Board;
- (c) such other statements by such other entity as approved by a significant segment of the accounting profession; and
- (d) the rules and regulations of the Commission governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the Commission;

provided that GAAP shall not give effect to FASB No. APB 14-1.

“**Guarantee**” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (b) entered into for the purpose of assuring in any other manner the obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” shall not include:

- (1) endorsements for collection or deposit in the ordinary course of business; or
- (2) a contractual commitment by one Person to invest in another Person for so long as such Investment is reasonably expected to

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constitute a Permitted Investment under clause (a), (b) or (c) of the definition of “Permitted Investment.”

The term “**Guarantee**” used as a verb has a corresponding meaning.

“**Guarantors**” means each of the Restricted Subsidiaries of Arch Coal that Guarantees the Notes on the Issue Date by executing this Indenture and any other Restricted Subsidiary of Arch Coal that Guarantees the Notes in accordance with the provisions of this Indenture hereafter, until released from such Guarantee.

“**Hedging Obligation**” of any Person means any obligation of such Person pursuant to any Interest Rate Agreement, Currency Exchange Protection Agreement, Commodity Price Protection Agreement or any other similar agreement or arrangement.

“**Holder**” means a Person in whose name a Note is registered in the Security Register.

“**Incur**” means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by merger, conversion, exchange or otherwise), extend, assume, Guarantee or become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or obligation on the balance sheet of such Person (and “**Incurrence**” and “**Incurred**” shall have meanings correlative to the foregoing); *provided, however*, that any Debt or other obligations of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary; and *provided further, however*, that solely for purposes of determining compliance with Section 4.06 of this Indenture, amortization of debt discount shall not be deemed to be the Incurrence of Debt, *provided* that in the case of Debt sold at a discount, the amount of such Debt Incurred shall at all times be the aggregate principal amount at Stated Maturity.

“**Indenture**” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively.

“**Independent Financial Advisor**” means an accounting, appraisal, engineering or banking firm of national standing, *provided* that such firm or appraiser is not an Affiliate of Arch Coal.

“**Insolvency or Liquidation Proceeding**” means (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to Arch Coal or any Guarantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to Arch Coal or any Guarantor or with respect to a material portion of its respective assets, (c) any liquidation, dissolution, reorganization

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or winding up of Arch Coal or any Guarantor, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of Arch Coal or any Guarantor.

“**Interest Payment Date**” means February 15 and August 15 of each year to Stated Maturity.

“**Interest Rate Agreement**” means, for any Person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement.

“**Investment**” by any Person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other Property to others or payments for Property or services for the account or use of others, or otherwise) to, or Incurrence of a Guarantee of any obligation of, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Debt issued by, any other Person. For purposes of Sections 4.08 and 4.14 of this Indenture and the definition of “Restricted Payment,” the term “Investment” shall include the portion (proportionate to Arch Coal’s or a Restricted Subsidiary’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of Arch Coal at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Arch Coal shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary of an amount (if positive) equal to:

- (a) Arch Coal’s “Investment” in such Subsidiary at the time of such redesignation, less
- (b) the portion (proportionate to Arch Coal’s or a Restricted Subsidiary’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation.

If Arch Coal or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any Restricted Subsidiary, or any Restricted Subsidiary issues any Capital Stock, in either case, such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of Arch Coal, Arch Coal shall be deemed to have made an Investment on the date of any such sale or other disposition equal to the Fair Market Value of the Capital Stock of and all other Investments in such Restricted Subsidiary retained.

In determining the amount of any Investment made by transfer of any Property other than cash, such Property shall be valued at its Fair Market Value at the time of such Investment.

“**Investment Grade Rating**” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P.

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“**Issue Date**” means the date the Notes are initially issued.

“**Issuer Order**” means a written order signed in the name of Arch Coal by any two Officers of Arch Coal.

“**Junior Lien Documents**” means the Arch Coal Secured Notes Indentures and each of the other agreements, documents and instruments providing for or evidencing any other Junior Lien Obligations and any other document or instrument executed or delivered at any time in connection with any Junior Lien Obligation (including any intercreditor or joinder agreement) among holders of Junior Lien Obligations to the extent such are effective at the relevant time, as each may be amended, modified, restated, supplemented, replaced or refinanced from time to time (whether or not with the same agents or lenders).

“**Junior Lien Obligations**” means the Arch Coal Secured Notes and Obligations under the Arch Coal Secured Notes Indentures and any other Debt secured by Liens ranking junior to the Liens securing Notes or Note Guarantees.

“**Lien**” means, with respect to any Property of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including any Capital Lease Obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing or any Sale and Leaseback Transaction).

“**Maturity**” means, with respect to any indebtedness, the date on which any principal of such indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“**Net Available Cash**” from any Asset Sale means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Debt or other obligations relating to the Property that is the subject of such Asset Sale or received in any other non-cash form), in each case net of:

- (a) all legal, title and recording tax expenses, accounting, investment banking fees and brokerage and sales commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Sale;

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- (b) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale; and

(c) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the Property disposed of in such Asset Sale and retained by Arch Coal or any Restricted Subsidiary after such Asset Sale.

“**New 2023 Secured Notes**” means the 12.000% senior secured notes due 2023 issued by Arch Coal.

“**New Intercreditor Agreement**” means the agreement dated as of the Issue Date, among Arch Coal, the Guarantors, the Collateral Agent and the First Lien Agent (together with each joinder, supplement, document or agreement pursuant to which Pari Passu Secured Debt will be subject to the same terms and conditions).

“**New Revolving Loans**” means up to \$254.0 million aggregate principal amount of first lien drawn loans due May 2021 issued under the Amended and Restated Credit Agreement in connection with the Transactions.

“**New Term Loans**” means up to \$150.0 million aggregate principal amount of first lien secured term loans due May 2021 issued under the Amended and Restated Credit Agreement in connection with the Transactions.

“**Note Guarantees**” means a Guarantee by a Guarantor of all of Arch Coal’s obligations with respect to the Notes.

“**Obligations**” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Debt and in all cases whether direct or indirect, absolute or contingent, now outstanding or hereafter created assumed or incurred and including, without limitation, interest accruing subsequent to the filing of a petition in bankruptcy or the commencement of any insolvency, reorganization or similar proceedings at the rate provided in the relevant documentation, whether or not an allowed claim, and any obligation to redeem or defease any of the foregoing.

“**Officer**” means the Chief Executive Officer, the President, the Chief Financial Officer or any Executive Vice President or Senior Vice President of Arch Coal.

“**Officers’ Certificate**” means a certificate signed by two Officers, at least one of whom shall be the principal executive officer or principal financial officer, and delivered to the Trustee.

“**Opinion of Counsel**” means a written opinion from legal counsel who is acceptable to the Trustee, in its discretion. The counsel may be an employee of or counsel to Arch Coal.

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“**Pari Passu Debt**” means any Debt of Arch Coal or any Guarantor that is pari passu in right of payment to the Notes or any Note Guarantees, as the case may be.

“**Pari Passu Secured Debt**” means any Debt of Arch Coal or any Guarantor that ranks pari passu in right of payment with the Notes or the Note Guarantees and is secured by a Lien on the Collateral that has the same priority as the Lien securing the Notes and that is designated in writing as such by Arch Coal to the Trustee and the holders of which enter into an appropriate agency agreement with the Collateral Agent.

“**Permitted Business**” means the business conducted by Arch Coal on the Issue Date, any business that is related, ancillary or complementary or a reasonable extension to the businesses of Arch Coal and its Restricted Subsidiaries on the Issue Date and any business of a nature that is or shall have become (i) related to the extraction, processing, storage, distribution or use of fuels or minerals, including, without limitation, coal gasification, coal liquefaction, natural gas, liquefied natural gas, coalbed or coal mine methane gas and bitumen from tar sands, as well as the production of electricity or other sources of power, such as coal- or natural gas-fueled power generation facilities, wind, solar or hydroelectric power generation facilities or similar activities or (ii) customary in the coal production industry.

“**Permitted Investment**” means any Investment by Arch Coal or any Restricted Subsidiary in:

- (a) Arch Coal or any Restricted Subsidiary;
- (b) any Person that will, upon the making of such Investment, become a Restricted Subsidiary;
- (c) any Person if as a result of such Investment such Person is merged or consolidated with or into, or transfers or conveys all or substantially all its Property to, Arch Coal or its Restricted Subsidiary, provided that such Person’s primary business is a Permitted Business;
- (d) Cash Equivalents;
- (e) receivables owing to Arch Coal or its Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary trade terms as Arch Coal or such Restricted Subsidiary deems reasonable under the circumstances;
- (f) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (g) loans and advances to employees made in the ordinary course of business permitted by law of Arch Coal or such Restricted Subsidiary, as the case

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may be; *provided* that such loans and advances do not exceed \$5.0 million in the aggregate at any one time outstanding;

(h) stock, obligations or other securities received in settlement of debts created in the ordinary course of business and owing to Arch Coal or a Restricted Subsidiary or in satisfaction of judgments;

(i) any Person to the extent such Investment represents the non-cash portion of the consideration received in connection with an Asset Sale consummated in compliance with Section 4.09 of this Indenture, or any non-cash consideration received in connection with a disposition of Property excluded from the definition of Asset Sale;

(j) Investments in an aggregate amount, together with all other Investments made pursuant to this clause (j), not to exceed 5.0% of Consolidated Net Tangible Assets (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value and net of, with respect to the Investment in any particular Person made pursuant to this clause (j), the cash return thereon received after the Issue Date as a result of any sale for cash, repayment, return, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Issue Date in reliance on this clause (j));

(k) other Investments made for Fair Market Value that do not exceed \$500.0 million in the aggregate outstanding at any one time (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value);

(l) Hedging Obligations that constitute Permitted Debt;

(m) Investments in connection with a Receivables Facility;

(n) Investments in Permitted Joint Ventures in an aggregate amount, together with all other Investments made pursuant to this clause (n) not to exceed the greater of (x) \$750.0 million and (y) 7.5% of Consolidated Net Tangible Assets (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value and net of, with respect to the Investment in any particular Person made pursuant to this clause (n), the cash return thereon received after the Issue Date as a result of any sale for cash, repayment, return, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Issue Date in reliance on this clause (n)); and

(o) Investments in Permitted Joint Ventures and other entities (whether or not a Subsidiary) that are not domiciled or incorporated in the United States, taken together with all other Investments made pursuant to this clause (o) that are

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at the time outstanding, not to exceed the greater of (x) \$500.0 million and (y) 5.0% of Consolidated Net Tangible Assets (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value and net of, with respect to the Investment in any particular Person made pursuant to this clause (o), the cash return thereon received after the Issue Date as a result of any sale for cash, repayment, return, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Issue Date in reliance on this clause (o)).

“**Permitted Joint Ventures**” means any agreement, contract or other arrangement between Arch Coal or any Restricted Subsidiary and any Person engaged principally in a Permitted Business that permits one party to share risks or costs, comply with regulatory requirements or satisfy other business objectives customarily achieved through the conduct of such Permitted Business jointly with third parties.

“**Permitted Liens**” means:

(a) Liens on Collateral to secure Debt (1) incurred under First Lien Obligations or 1.5 Lien Obligations; *provided* that the aggregate amount of Debt secured by First Priority Liens shall not exceed the First Lien Cap; and (2) that constitutes Junior Lien Obligations;

(b) Liens to secure Debt permitted to be Incurred under Section 4.06(b)(3) of this Indenture and other purchase money Liens to finance Property of Arch Coal or any of its Restricted Subsidiaries; *provided* that any such Lien may not extend to any Property of Arch Coal or any Restricted Subsidiary, other than the Property acquired, constructed or leased and any improvements or accessions to such Property (including, in the case of the acquisition of Capital Stock of a Person that becomes a Restricted Subsidiary, Liens on the Property of the Person whose Capital Stock was acquired);

(c) Liens for taxes, assessments or governmental charges or levies on the Property of Arch Coal or any Restricted Subsidiary if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings promptly instituted and diligently concluded, *provided* that any reserve or other appropriate provision that shall be required in conformity with GAAP shall have been made therefor;

(d) Liens imposed by law, such as carriers’, warehousemen’s and mechanics’ Liens and other similar Liens, on the Property of Arch Coal or any Restricted Subsidiary arising in the ordinary course of business and securing payment of obligations that are not more than 60 days past due or are being contested in good faith and by appropriate proceedings;

(e) Liens on the Property of Arch Coal or any Restricted Subsidiary Incurred in the ordinary course of business to secure performance of obligations

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with respect to statutory or regulatory requirements, performance or return-of-money bonds, surety bonds or other obligations of a like nature and Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of Property and which do not in the aggregate impair in any material respect the use of Property in the operation of the business of Arch Coal and the Restricted Subsidiaries taken as a whole;

(f) Liens on Property at the time Arch Coal or any Restricted Subsidiary acquired such Property, including any acquisition by means of a merger or consolidation with or into Arch Coal or any Restricted Subsidiary; *provided, however*, that any such Lien may not extend to any other Property of Arch Coal or any Restricted Subsidiary; *provided further, however*, that such Liens shall not have been Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Property was acquired by Arch Coal or any Restricted Subsidiary;

(g) Liens on the Property of a Person at the time such Person becomes a Restricted Subsidiary; *provided, however*, that any such Lien may not extend to any other Property of Arch Coal or any other Restricted Subsidiary that is not a direct Subsidiary of such Person; *provided further, however*, that any such Lien was not Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(h) pledges or deposits by Arch Coal or any Restricted Subsidiary under workers' compensation laws, unemployment insurance laws, old-age pensions or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which Arch Coal or any Restricted Subsidiary is party, or deposits to secure public or statutory obligations of Arch Coal, or deposits for the payment of rent, in each case Incurred in the ordinary course of business;

(i) utility easements, building restrictions and such other encumbrances or charges against real Property as are of a nature generally existing with respect to properties of a similar character;

(j) Liens existing on the Issue Date not otherwise described in clauses (a) through (i) above or (k) through (u) below;

(k) Liens on the Property of Arch Coal or any Restricted Subsidiary to secure any Refinancing, in whole or in part, of any Debt secured by Liens referred to in clause (b), (f), (g) or (j) above; *provided, however*, that any such Liens shall be limited to all or part of the same Property that secured the original Liens (together with improvements and accessions to such Property), such Liens shall not have any greater priority relative to the Notes and the Note Guarantees than the original Liens securing the Debt being refinanced and the aggregate principal

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amount of Debt that is secured by such Lien shall not be increased to an amount greater than the sum of:

(1) the outstanding principal amount, or, if greater, the committed amount, of the Debt secured by Liens described under clause (b), (f), (g) or (j) above, as the case may be, at the time the original Lien became a Permitted Lien under this Indenture, and

(2) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, incurred by Arch Coal or such Restricted Subsidiary in connection with such Refinancing;

(l) Liens on Property used to defease or to satisfy and discharge Debt; *provided that* (a) the Incurrence of such Debt was not prohibited by this Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by this Indenture;

(m) Liens in favor of Arch Coal or any Restricted Subsidiary;

(n) judgment Liens not giving rise to an Event of Default, that are being contested in good faith by appropriate legal proceedings and for which adequate reserves have been made;

(o) Liens on accounts receivable and related assets in connection with a Receivables Facility;

(p) rights of banks to set off deposits against debts owed to said bank;

(q) contract mining agreements and leases or subleases granted to others that do not materially interfere with the ordinary conduct of business of Arch Coal or any of its Restricted Subsidiaries;

(r) Liens on Capital Stock of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;

(s) Liens on the assets of Foreign Subsidiaries securing Debt of Foreign Subsidiaries;

(t) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(u) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other assets relating to such letters of credit and products and proceeds thereof; and

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(v) Liens not otherwise permitted by clauses (a) through (u) above securing Debt or other obligations in an aggregate principal amount not to exceed \$200.0 million at the time such Debt is Incurred.

“**Permitted Refinancing Debt**” means any Debt that Refinances any other Debt, including any successive Refinancings, so long as:

(a) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of:

(1) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced and all accrued and unpaid interest thereon; and

(2) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing;

(b) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced; and

(c) the new Debt shall not be senior in right of payment to the Debt that is being Refinanced;

provided, however, that Permitted Refinancing Debt shall not include:

(x) Debt of a Subsidiary of Arch Coal that is not a Guarantor that Refinances Debt of Arch Coal or a Guarantor, or

(y) Debt of Arch Coal or a Restricted Subsidiary that Refinances Debt of an Unrestricted Subsidiary.

“**Person**” means any individual, corporation, company (including any limited liability company), association, partnership, joint venture, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“**Preferred Stock**” means any Capital Stock of a Person, however designated, which entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of any other class of Capital Stock issued by such Person.

“**Preferred Stock Dividends**” of a Person means all dividends with respect to Preferred Stock of Restricted Subsidiaries of such Person (other than dividends paid in Capital Stock (except Disqualified Stock) of Arch Coal) held by Persons other than such Person or a Wholly Owned Restricted Subsidiary of such Person. The amount of any such dividend shall be equal to the quotient of such dividend divided by the difference

between one and the maximum statutory federal income rate (expressed as a decimal number between 1 and 0) then applicable to the issuer of such Preferred Stock.

“**pro forma**” means, with respect to any calculation made or required to be made pursuant to the terms hereof, a calculation, as interpreted in good faith by Arch Coal’s principal financial officer or principal accounting officer, or otherwise a calculation made in good faith by the Board of Directors after consultation with the independent certified public accountants of Arch Coal, as the case may be.

“**Property**” means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person. For purposes of any calculation required pursuant to this Indenture, the value of any Property shall be its Fair Market Value.

“**Purchase Money Debt**” means Debt:

(a) consisting of the deferred purchase price of Property, conditional sale obligations, obligations under any title retention agreement, other purchase money obligations and obligations in respect of industrial revenue bonds, in each case where the maturity of such Debt does not exceed the anticipated useful life of the Property being financed; and

(b) Incurred to finance the acquisition, construction or lease by Arch Coal or a Restricted Subsidiary of such Property, including additions and improvements thereto;

provided, however, that such Debt is Incurred within 365 days after the acquisition, construction or lease of such Property by Arch Coal or such Restricted Subsidiary.

“**QIB**” means a “Qualified Institutional Buyer” as defined under Rule 144A.

“**Rating Agencies**” means Moody’s and S&P or if Moody’s and S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by Arch Coal which shall be substituted for Moody’s or S&P or both, as the case may be.

“**Receivables Facility**” means one or more receivables financing facilities or arrangements, as amended or modified from time to time, pursuant to which Arch Coal or any Subsidiary sells (including a sale in exchange for a promissory note or Capital Stock of a Receivables Subsidiary) its accounts receivable to a Receivables Subsidiary or a Receivables Subsidiary sells accounts receivables to any other Person; *provided* such transaction is on market terms at the time Arch Coal or such Subsidiary enters into such transaction.

“**Receivables Subsidiary**” means a Subsidiary of Arch Coal which engages in no activities other than those reasonably related to or in connection with the entering into of

receivables securitization transactions and which is designated by the Board of Directors (as provided below) as a Receivables Subsidiary and

(1) no portion of the Debt or any other obligations (contingent or otherwise) of which:

(A) is guaranteed by Arch Coal or any Restricted Subsidiary (excluding Guarantees (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings);

(B) is recourse to or obligates Arch Coal or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(C) subjects any Property of Arch Coal or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither Arch Coal nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding other than on terms no less favorable to Arch Coal or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of Arch Coal, other than fees payable in the ordinary course of business in connection with servicing accounts receivable of such entity; and

(3) to which neither Arch Coal nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results other than pursuant to Standard Securitization Undertakings.

Any designation of a Subsidiary as a Receivable Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors giving effect to the designation and an Officers' Certificate certifying that the designation complied with the preceding conditions and was permitted by this Indenture.

“**Record Date**” for the interest payable on any Interest Payment Date means February 1 or August 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.

“**Redemption Date**,” when used with respect to any Note to be redeemed, in whole or in part, means the date fixed for such redemption by or pursuant to this Indenture.

“**Redemption Price**,” when used with respect to any Note to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

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“**Refinance**” means, in respect of any Debt, to refinance, extend, renew, refund or Repay, or to issue other Debt, in exchange or replacement for, such Debt. “**Refinanced**” and “**Refinancing**” shall have correlative meanings.

“**Regulation S**” means Regulation S under the Securities Act (including any successor regulation thereto), as it may be amended from time to time.

“**Repay**” means, in respect of any Debt, to repay, prepay, repurchase, redeem, legally defease or otherwise retire such Debt. “**Repayment**” and “**Repaid**” shall have correlative meanings. For purposes of Section 4.09 of this Indenture and the definition of “**Consolidated Interest Coverage Ratio**,” Debt shall be considered to have been Repaid only to the extent the related loan commitment, if any, shall have been permanently reduced in connection therewith.

“**Restricted Payment**” means:

(a) any dividend or distribution (whether made in cash, securities or other Property) declared or paid, on or with respect to any shares of Capital Stock of Arch Coal or any Restricted Subsidiary (including any payment in connection with any merger or consolidation with or into Arch Coal or any Restricted Subsidiary), except for any dividend or distribution that is (i) made solely to Arch Coal or a Restricted Subsidiary (and, if such Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, to the other shareholders or members of such Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by Arch Coal or a Restricted Subsidiary of dividends or distributions equal to or greater in value than it would receive on a *pro rata* basis); or (ii) payable solely in shares of Capital Stock (other than Disqualified Stock) of Arch Coal;

(b) the purchase, repurchase, redemption, acquisition or retirement for value of any Capital Stock of Arch Coal (other than from Arch Coal or a Restricted Subsidiary);

(c) the purchase, repurchase, redemption, acquisition or retirement for value, prior to the date for any scheduled maturity, sinking fund or amortization or other installment payment, of any Subordinated Obligation (other than (i) Debt permitted under Section 4.06(b)(5) of this Indenture or (ii) the purchase, repurchase or other acquisition of any Subordinated Obligation purchased in anticipation of satisfying a scheduled maturity, sinking fund or amortization or other installment obligation, in each case due within one year of the date of acquisition); or

(d) any Investment (other than Permitted Investments) in any Person.

“**Restricted Subsidiary**” means any Subsidiary of Arch Coal other than an Unrestricted Subsidiary.

“**Rule 144**” means Rule 144 under the Securities Act (including any successor regulation thereto), as it may be amended from time to time.

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“**Rule 144A**” means Rule 144A under the Securities Act (including any successor regulation thereto), as it may be amended from time to time.

“**S&P**” means Standard & Poor's Ratings Services or any successor to the rating agency business thereof.

“**Sale and Leaseback Transaction**” means any direct or indirect arrangement relating to Property now owned or hereafter acquired whereby Arch Coal or a Restricted Subsidiary transfers such Property to another Person and Arch Coal or a Restricted Subsidiary leases it from such Person.

“**Second Lien Issue Date**” means December 17, 2013.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Security Agreements**” means the security agreements dated as of the Issue Date among the Collateral Agent, Arch Coal and the Guarantors granting, among other things, a 1.5 Priority Lien on the Collateral subject to Permitted Liens, in each case in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Pari Passu Secured Debt, as amended, modified, restated, supplemented or replaced from time to time in accordance with its terms.

“**Security Documents**” means the Security Agreements, any mortgages, the Existing Intercreditor Agreement, the New Intercreditor Agreement and all of the security agreements, pledges, collateral assignments, mortgages, deeds of trust, trust deeds or other instruments evidencing or creating or purporting to create any security interests in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Pari Passu Secured Debt, in all or any portion of the Collateral, as amended, modified, restated, supplemented or replaced from time to time.

“**Section 3(a)(9)**” means Section 3(a)(9) under the Securities Act (including any successor regulation thereto), as it may be amended from time to time.

“**Section 4(a)(2)**” means Section 4(a)(2) under the Securities Act (including any successor regulation thereto), as it may be amended from time to time.

“**Significant Subsidiary**” means any Subsidiary that would be a “significant subsidiary” of Arch Coal within the meaning of Rule 1-02 under Regulation S-X promulgated by the Commission.

“**Standard Securitization Undertakings**” means representations, warranties, covenants and indemnities entered into by Arch Coal or any Restricted Subsidiary that are reasonably customary in receivables financing facilities, including, without limitation, servicing of the obligations thereunder.

“**Stated Maturity**” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and

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payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

“**Subordinated Obligation**” means any Debt of Arch Coal or a Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in right of payment to the Notes or the Note Guarantees pursuant to a written agreement to that effect.

“**Subsidiary**” means, in respect of any Person, any corporation, company (including any limited liability company), association, partnership, joint venture or other business entity of which at least a majority of the total voting power of the Voting Stock is at the time owned or controlled, directly or indirectly, by:

- (a) such Person;
- (b) such Person and one or more Subsidiaries of such Person; or
- (c) one or more Subsidiaries of such Person.

“**Surviving Person**” means the surviving Person formed by a merger, consolidation or amalgamation and, for purposes of Section 5.01 of this Indenture, a Person to whom all or substantially all of the Property of Arch Coal or a Guarantor is sold, transferred, assigned, leased, conveyed or otherwise disposed.

“**Transactions**” means the entry into and consummation of the Exchange Offer, the Concurrent Exchange Offer and Consent Solicitation and the Concurrent Ineligible Holders Offer and transactions related to such transactions, and the payment of any related fees, expenses or costs.

“**Treasury Rate**” means, as of any Redemption Date for Notes, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to August 15, 2018; provided, however, that if the period from the Redemption Date to August 15, 2018 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“**Trustee**” means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and, thereafter, means the successor.

“**Trust Indenture Act**” means the Trust Indenture Act of 1939, as amended.

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“**Trust Officer**” means, when used with respect to the Trustee, any vice president, assistant vice president, assistant treasurer or trust officer within the Corporate Trust Department of the Trustee (or any successor unit, department or division of the Trustee) located at the Corporate Trust Office of the Trustee who has direct responsibility for the administration of this Indenture and, for the purposes of Sections 7.01(c)(2) and the second sentence of

Section 6.01(c) shall also include any other officer of the Trustee to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

“**UCC**” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent’s security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

“**Unrestricted Subsidiary**” means:

- (a) any Subsidiary of Arch Coal that is designated after the Issue Date as an Unrestricted Subsidiary as permitted or required pursuant to Section 4.14 of this Indenture and is not thereafter redesignated as a Restricted Subsidiary as permitted pursuant thereto;
- (b) any Subsidiary of an Unrestricted Subsidiary; and
- (c) as of the date of this Indenture, Jacobs Ranch Holdings I LLC, a Delaware limited liability company, Jacobs Ranch Holdings II LLC, a Delaware limited liability company, and Jacobs Ranch Coal LLC, a Delaware limited liability company.

After the termination of the covenants upon the Notes obtaining Investment Grade Ratings, pursuant to Section 4.19 of this Indenture, all Unrestricted Subsidiaries shall be Restricted Subsidiaries.

“**U.S. Government Obligations**” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer’s option.

“**Voting Stock**” of any Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

“**Wholly Owned Restricted Subsidiary**” of a Person means, at any time, a Restricted Subsidiary all the Voting Stock of which (except directors’ qualifying shares)

is at such time owned, directly or indirectly, by such Person and its other Wholly Owned Subsidiaries.

Section 1.02. *Other Definitions.*

Term	Defined in Section
“Additional Notes”	Recitals
“Additional Security Documents”	12.06
“Affiliate Transaction”	4.10
“Change of Control Offer”	4.11
“Change of Control Purchase Price”	4.11
“Covenant Defeasance”	8.03
“Defaulted Interest”	2.12
“Event of Default”	6.01(a)
“Excess Proceeds”	4.09
“Global Notes”	2.01(d)
“Guarantor Obligations”	10.01(a)
“Legal Defeasance”	8.02
“Notes”	Recitals
“Notice of Default”	6.01(a)(4)
“Original Notes”	Recitals
“Participants”	2.01(d)
“Paying Agent”	2.03
“Permitted Debt”	4.06(b)
“Prepayment Offer”	4.09
“Registrar”	2.03
“Regulation S Global Note”	2.01(c)
“Restricted Global Note”	2.01(c)
“Security Register”	2.03
“Transfer Agent”	2.03

Section 1.03. *Rules of Construction.* (a) Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “or” is not exclusive;
- (4) “including” or “include” means including or include without limitation;

(6) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, clause or other subdivision;

(7) unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP as in effect on the Issue Date;

(8) “\$,” “U.S. Dollars” and “United States Dollars” each refer to United States dollars, or such other money of the United States that at the time of payment is legal tender for payment of public and private debts; and

(9) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein.

Section 1.04 *Conflict with Trust Indenture Act.* If any provision hereof limits, qualifies or conflicts with another provision hereof that is required to be included in this Indenture by any of the provisions of the Trust Indenture Act, such required provision shall control.

Article 2
THE NOTES

Section 2.01. *The Notes.* (a) The Trustee shall initially authenticate Notes for original issue on the Issue Date in exchange for certain Arch Coal Senior Notes pursuant to the Exchange Offer and/or the Concurrent Ineligible Holders Offer upon a written order of Arch Coal in the form of an Officers’ Certificate of the Company (other than as provided in Section 2.07). The Company may, as long as permitted under this Indenture, issue and the Trustee shall authenticate Additional Notes after the Issue Date in unlimited amount for original issue upon a written order of the Company in the form of an Officers’ Certificate in aggregate principal amount as specified in such order. Each such written order shall specify the amount of Notes to be authenticated and the date on which such Notes are to be authenticated.

(b) *Form and Dating.* The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law, the rules of any securities exchange or usage. Arch Coal shall approve the form of the Notes. Each Note shall be dated the date of its authentication. The terms and provisions contained in the form of the Notes shall constitute and are hereby expressly made a part of this Indenture. The Notes shall be issued only in registered form without coupons and only in minimum denominations of \$2,000 in principal amount and any integral multiples of \$1,000 in excess thereof.

(c) *Global Notes.* Notes offered and sold to QIBs in reliance on Rule 144A or Section 4(a)(2) shall be issued initially in the form of one or more Global Notes substantially in the form of Exhibit A hereto, with such applicable legends as are provided in Exhibit A hereto, except as otherwise permitted herein (the “**Restricted Global Note**”), which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Depository, and registered in the name of the Depository or its nominee, as the case may be, duly executed by Arch Coal and authenticated by the Trustee (or its agent in accordance with Section 2.02) as hereinafter

provided. The aggregate principal amount of a Restricted Global Note may from time to time be increased or decreased by adjustments made by the Registrar on Schedule A to Exhibit A to the Restricted Global Note and recorded in the Security Register, as hereinafter provided. Notes offered and sold in reliance on Regulation S shall be issued initially in the form of one or more Global Notes substantially in the form of Exhibit A hereto, with such applicable legends as are provided in Exhibit A hereto, except as otherwise permitted herein (the “**Regulation S Global Note**”), which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Depository, and registered in the name of the Depository or its nominee, as the case may be, duly executed by Arch Coal and authenticated by the Trustee (or an authenticating agent appointed by the Trustee in accordance with Section 2.02) as hereinafter provided. The aggregate principal amount of a Regulation S Global Note may from time to time be increased or decreased by adjustments made by the Registrar on Schedule A to the Regulation S Global Note and recorded in the Security Register, as hereinafter provided. Notes offered and sold in reliance on Section 3(a)(9) shall be issued initially in the form of one or more Global Notes substantially in the form of Exhibit A hereto, with such applicable legends as are provided in Exhibit A hereto, except as otherwise permitted herein (the “**Registered Global Note**”), which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Depository, and registered in the name of the Depository or its nominee, as the case may be, duly executed by Arch Coal and authenticated by the Trustee (or an authenticating agent appointed by the Trustee in accordance with Section 2.02) as hereinafter provided. The aggregate principal amount of a Registered Global Note may from time to time be increased or decreased by adjustments made by the Registrar on Schedule A to the Registered Global Note and recorded in the Security Register, as hereinafter provided.

(d) *Book-Entry Provisions.* This Section 2.01(d) shall apply to each Restricted Global Note, each Regulation S Global Note and each Registered Global Note (collectively, the “**Global Notes**”) deposited with or on behalf of the Depository.

Members of, or participants and account holders in, DTC (“**Participants**”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or by the Trustee or any custodian of the Depository or under such Global Note, and the Depository or its nominee may be treated by Arch Coal, a Guarantor, the Trustee and any agent of Arch Coal, a Guarantor or the Trustee as the sole owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent Arch Coal, a Guarantor, the Trustee or any agent of Arch Coal, a Guarantor or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and their Participants, the operation of customary practices of such persons governing the exercise of the rights of a Holder of a beneficial interest in any Global Note.

Except as provided in Section 2.10, owners of a beneficial interest in Global Notes will not be entitled to receive physical delivery of certificated Notes.

Section 2.02. *Execution and Authentication.* An authorized officer shall sign the Notes for Arch Coal by manual or facsimile signature.

If an authorized officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid or obligatory for any purpose until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

Pursuant to an Issuer Order, Arch Coal shall execute and the Trustee shall authenticate (a) Original Notes for original issue in exchange for Arch Coal Senior Notes in the Exchange Offer and/or the Concurrent Ineligible Holders Offer and (b) Additional Notes subject to compliance at the time of issuance of such Additional Notes with the provisions of this Indenture in an unlimited amount.

The Trustee may appoint an authenticating agent reasonably acceptable to Arch Coal to authenticate the Notes. Unless limited by the terms of such appointment, any such authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by any such agent. An authenticating agent has the same rights as any Registrar, co-Registrar, Transfer Agent or Paying Agent to deal with Arch Coal or an Affiliate of Arch Coal.

The Trustee shall have the right to decline to authenticate and deliver any Notes under this Section 2.02 if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee shall determine that such action would expose the Trustee to personal liability to existing Holders.

Section 2.03. *Registrar, Transfer Agent and Paying Agent.* Arch Coal shall maintain an office or agency where the Notes may be presented or surrendered for registration, transfer or exchange (the “**Registrar**”), an office or agency where Notes may be transferred or exchanged (the “**Transfer Agent**”), an office or agency where the Notes may be presented or surrendered for payment (the “**Paying Agent**”) and an office or agency where notices or demands to or upon Arch Coal in respect of the Notes may be served. Arch Coal may appoint one or more Transfer Agents, one or more co-Registrars and one or more additional Paying Agents.

Arch Coal or any of its Affiliates may act as Transfer Agent, Registrar, co-Registrar, Paying Agent and agent for service of notices and demands in connection with the Notes; provided, however, that neither Arch Coal nor any of its Affiliates shall act as Paying Agent for the purposes of Articles Three and Eight and Sections 4.09 and 4.11.

Arch Coal hereby initially appoints the Trustee, at the address set forth in Section 14.02(a) as Registrar and as Transfer Agent and Paying Agent.

Subject to any applicable laws and regulations, Arch Coal shall cause the Registrar to keep a register (the “**Security Register**”) at its corporate trust office in which, subject to such reasonable regulations it may prescribe, Arch Coal shall provide for the registration of ownership, exchange, and transfer of the Notes. Such registration in the Security Register shall be conclusive evidence of the ownership of Notes. Included in the books and records for the Notes shall be notations as to whether such Notes have been paid, exchanged or transferred, canceled, lost, stolen, mutilated or destroyed and whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Registrar shall keep a record of the Note so replaced and the Note issued in replacement thereof. In the case of the cancellation of any of the Notes, the Registrar shall keep a record of the Note so canceled and the date on which such Note was canceled.

Arch Coal shall enter into an appropriate agency agreement with any Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. Arch Coal shall notify the Trustee of the name and address of any such agent. If Arch Coal fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07 of this Indenture.

Section 2.04. *Paying Agent to Hold Money in Trust.* Not later than 10:00 am (Central time) on each due date of the principal, premium, if any, and interest on any Notes, Arch Coal shall deposit with the Paying Agent money in immediately available funds sufficient to pay such principal, premium, if any, and interest so becoming due on the due date for payment under the Notes. Arch Coal shall require each Paying Agent other than the Trustee to agree in writing that such Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal of, premium, if any, and interest on the Notes (whether such money has been paid to it by Arch Coal or any other obligor on the Notes), and such Paying Agent shall promptly notify the Trustee of any default by Arch Coal (or any other obligor on the Notes) in making any such payment. Arch Coal at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed, and the Trustee may at any time during the continuance of any payment default, upon written request to a Paying Agent, require such Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon doing so, the Paying Agent shall have no further liability for the money so paid over to the Trustee. If Arch Coal or any Affiliate of Arch Coal acts as Paying Agent, it will, on or before each due date of any principal, premium, if any, or interest on the Notes, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such principal, premium, if any, or interest so becoming due until such sum of money shall be paid to such Holders or otherwise disposed of as provided in this Indenture, and will promptly notify the Trustee of its action or failure to act.

Section 2.05. *Holder Lists.* The Registrar shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, Arch Coal shall furnish to the Trustee, in writing no later than the Record Date for

Date as the Trustee may reasonably require of the names and addresses of Holders, including the aggregate principal amount of Notes held by each Holder.

Section 2.06. *Transfer and Exchange.* (a) Where Notes are presented to the Registrar or a co-Registrar with a request to register a transfer or to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall register the transfer or make the exchange in accordance with the requirements of this Section 2.06. To permit registrations of transfers and exchanges, Arch Coal shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes, of any authorized denominations and of a like aggregate principal amount, at the Registrar's request. No service charge shall be made for any registration of transfer or exchange of Notes to the Holder or transferee thereof (except as otherwise expressly permitted herein), but Arch Coal may require payment of a sum sufficient to cover any agency fee or similar charge payable in connection with any such registration of transfer or exchange of Notes (other than any agency fee or similar charge payable upon exchanges pursuant to Sections 2.10, 3.08 or 9.05) or in accordance with a Prepayment Offer pursuant to Section 4.09 or Change of Control Offer pursuant to Section 4.11, not involving a transfer.

Upon presentation for exchange or transfer of any Note as permitted by the terms of this Indenture and by any legend appearing on such Note, such Note shall be exchanged or transferred upon the Security Register and one or more new Notes shall be authenticated and issued in the name of the Holder (in the case of exchanges only) or the transferee, as the case may be. No exchange or transfer of a Note shall be effective under this Indenture unless and until such Note has been registered in the name of such Person in the Security Register. Furthermore, the exchange or transfer of any Note shall not be effective under this Indenture unless the request for such exchange or transfer is made by the Holder or by a duly authorized attorney-in-fact at the office of the Registrar.

Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by Arch Coal or the Registrar) be duly endorsed, or be accompanied by a written instrument or transfer, in form satisfactory to Arch Coal and the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of Arch Coal evidencing the same indebtedness, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Arch Coal shall not be required (1) to issue, register the transfer of, or exchange any Note during a period beginning at the opening of 15 Business Days before the day of the mailing of a notice of redemption of Notes selected for redemption under Section 3.03 and ending at the close of business on the day of such mailing, or (2) to register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(b) Notwithstanding any provision to the contrary herein, so long as a Global Note remains outstanding and is held by or on behalf of the Depository, transfers of a Global Note, in whole or in part, or of any beneficial interest therein, shall only be made in accordance with Section 2.01(d), Section 2.06(a) and this Section 2.06(b); provided, however, that a beneficial interest in a Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Global Note in accordance with the transfer restrictions set forth in the restricted Note legend on the Note, if any.

(1) Except for transfers or exchanges made in accordance with any of clauses (2), (3) or (5) of this Section 2.06(b), transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to nominees of the Depository or to a successor of the Depository or such successor's nominee.

(2) Restricted Global Note to Regulation S Global Note. If the Holder of a beneficial interest in a Restricted Global Note at any time wishes to exchange its interest in such Restricted Global Note for an interest in a Regulation S Global Note, or to transfer its interest in such Restricted Global Note to a Person who wishes to take delivery thereof in the form of a beneficial interest in a Regulation S Global Note, such transfer or exchange may be effected, only in accordance with this clause (2) and the rules and procedures of the Depository. Upon receipt by the Registrar from the Transfer Agent of (A) instructions directing the Registrar to credit or cause to be credited an interest in the Regulation S Global Note in a specified principal amount and to cause to be debited an interest in the Restricted Global Note in such specified principal amount, and (B) a certificate in the form of Exhibit B attached hereto given by the Holder of such beneficial interest stating that the transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Notes and (x) pursuant to and in accordance with Regulation S or (y) that the Note being transferred is being transferred in a transaction permitted by Rule 144, then the Registrar shall instruct the Depository to reduce or cause to be reduced the principal amount of the Restricted Global Note and to increase or cause to be increased the principal amount of the Regulation S Global Note by the aggregate principal amount of the interest in the Restricted Global Note to be exchanged.

(3) Regulation S Global Note to Restricted Global Note. If the Holder of a beneficial interest in a Regulation S Global Note at any time wishes to transfer such interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in a Restricted Global Note, such transfer may be effected only in accordance with this clause (3) and the rules and procedures of the Depository. Upon receipt by the Registrar from the Transfer Agent of (A) instructions directing the Registrar to credit or cause to be credited an interest in the Restricted Global Note in a specified principal amount and to cause to be debited an interest in the Regulation S Global Note in such specified principal amount, and (B) a certificate in the form of Exhibit C given by the Holder of such beneficial interest stating that the transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Notes and

stating that (x) the Person transferring such Interest reasonably believes that the Person acquiring such interest is a QIB and is obtaining such interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or (y) that the Person transferring such interest is relying on an exemption other than Rule 144A from the registration requirements of the Securities Act and, in such circumstances, such opinion of counsel as Arch Coal or the Trustee may reasonably request to ensure that the requested transfer or exchange is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Registrar shall instruct the Depository to reduce or cause to be reduced the principal amount of the Regulation S Global Note and to increase or cause to be increased the principal amount of the Restricted Global Note by the aggregate principal amount of the interest in the Regulation S Global Note to be exchanged or transferred.

(4) Global Notes to Certificated Notes. In the event that a Global Note is exchanged for Notes in certificated, registered form pursuant to Section 2.10, such Notes may be exchanged only in accordance with Section 2.10 and such procedures as are substantially consistent with the provisions of clauses (2) and (3) above (including the certification requirements intended to ensure that such transfers comply with Rule 144A or Regulation S under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by Arch Coal and the Trustee.

(5) Restricted Global Note or Regulation S Global Note to Registered Global Note. If the Holder of a beneficial interest in a Restricted Global Note or Regulation S Global Note at any time wishes to exchange its interest in such Note for an interest in a Registered Global Note, or to transfer its interest in such Note to a Person who wishes to take delivery thereof in the form of a beneficial interest in a Registered Global Note, such transfer or exchange may be effected, only in accordance with this clause (5) and the rules and procedures of the Depository. Upon receipt by the Registrar from the Transfer Agent of (A) instructions directing the Registrar to credit or cause to be credited an interest in the Registered Global Note in a specified principal amount and to cause to be debited an interest in the applicable Global Note in such specified principal amount, and (B) a certificate in the form of Exhibit B attached hereto given by the Holder of such beneficial interest stating that the transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Notes and that the Note being transferred is being transferred in a transaction permitted by Rule 144 under the Securities Act, provided, that the Company may require from any Person requesting a transfer or exchange in reliance upon this clause (5) an opinion of counsel and any other reasonable certifications and evidence, then the Registrar shall instruct the Depository to reduce or cause to be reduced the principal amount of the Restricted Global Note or Regulation S Global Note and to increase or cause to be increased the principal amount of the Registered Global Note by the aggregate principal amount of the interest in the Restricted Global Note or Regulation S Global Note to be exchanged.

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(c) If Notes are issued upon the transfer, exchange or replacement of Notes bearing the restricted Notes legends set forth in Exhibit A hereto, the Notes so issued shall bear the restricted Notes legends, and a request to remove such restricted Notes legends from Notes will not be honored unless there is delivered to Arch Coal such satisfactory evidence, which may include an opinion of counsel licensed to practice law in the State of New York, as may be reasonably required by Arch Coal, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A or Rule 144 under the Securities Act. Upon provision of such satisfactory evidence, the Trustee, at the direction of Arch Coal, shall authenticate and deliver Notes that do not bear the legend.

(d) The Trustee shall have no responsibility for any actions taken or not taken by the Depository, for any Depository records or beneficial ownership interests or for any transactions between the Depository and any Agent Member or between or among the Depository, a participant and/or any holder or owner of a beneficial interest in a Global Note.

(e) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Notes (including any transfers between or among the Depository's participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation, including delivery of Opinions of Counsel, as is expressly required by, and to do so if and when expressly required by, the terms of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.07. *Replacement Notes.* If a mutilated certificated Note is surrendered to the Registrar or if the Holder claims that the Note has been lost, destroyed or wrongfully taken, Arch Coal shall issue and the Trustee shall authenticate a replacement Note in such form as the Note mutilated, lost, destroyed or wrongfully taken if the Holder satisfies any other reasonable requirements of the Trustee or Arch Coal. If required by the Trustee or Arch Coal, such Holder shall furnish an indemnity or indemnity bond sufficient in the judgment of Arch Coal and the Trustee to protect Arch Coal, the Trustee, the Paying Agent, the Transfer Agent, the Registrar and any co-Registrar, and any authenticating agent from any loss that any of them may suffer if a Note is replaced. Arch Coal and the Trustee may charge the Holder for their expenses in replacing a Note.

In case any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, Arch Coal in its discretion may within 30 days of the applicable Redemption Date or Maturity Date of such Note, instead of issuing a new Note, pay such Note, including any accrued and unpaid interest.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

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Every replacement Note shall be an additional obligation of Arch Coal.

Section 2.08. *Outstanding Notes.* Notes outstanding at any time are all Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section 2.08 as not outstanding. Subject to Section 2.09, a Note does not cease to be outstanding because Arch Coal or an Affiliate of Arch Coal holds the Note.

If a Note is replaced or paid pursuant to Section 2.07 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee and Arch Coal receive proof satisfactory to them that the Note which has been replaced or paid, is held by a bona fide purchaser. A mutilated Note

ceases to be outstanding upon surrender of such Note and replacement or payment thereof pursuant to Section 2.07.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a Redemption Date or maturity date money sufficient to pay all principal, premium, if any, and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

Section 2.09. *Notes Held by Arch Coal.* In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent or any amendment, modification or other change to this Indenture, Notes owned by Arch Coal or by an Affiliate of Arch Coal shall be disregarded and treated as if they were not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent or any amendment, modification or other change to this Indenture, only Notes which a Trust Officer of the Trustee actually knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to the Notes and that the pledgee is not Arch Coal or an Affiliate of Arch Coal.

Section 2.10. *Certificated Notes.* (a) A Global Note deposited with the Depository or other custodian for the Depository pursuant to Section 2.01 shall be transferred to the beneficial owners thereof in the form of certificated Notes only if such transfer complies with Section 2.06 and (1) the Depository notifies Arch Coal that it is unwilling or unable to continue as the Depository for such Global Note, or if at any time the Depository ceases to be a "clearing agency" registered under the Exchange Act and a successor depository is not appointed by Arch Coal within 90 days of such notice or becoming aware of such cessation, or (2) Arch Coal, at its option, executes and delivers to the Trustee a notice that such Global Note be so transferable, registrable and exchangeable, or (3) an Event of Default, or an event which after notice or lapse of time or both would be an Event of Default, has occurred and is continuing with respect to the Notes and the Registrar has received a request for such transfer from either the Depository or (through the Depository) a Person with a beneficial interest in such Notes

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or (4) the issuance of such certificated Notes is necessary in order for a Holder or beneficial owner to present its Note or Notes to a Paying Agent in order to avoid any tax that is imposed on or with respect to a payment made to such Holder or beneficial owner and the Holder or beneficial owner (through the Depository) so certifies to Arch Coal and the Trustee. Notice of any such transfer shall be given by Arch Coal in accordance with the provisions of Section 14.02(a).

(b) Any Global Note that is transferable to the beneficial owners thereof in the form of certificated Notes pursuant to this Section 2.10 shall be surrendered by the Depository to the Transfer Agent, to be so transferred, in whole or from time to time in part, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Note, an equal aggregate principal amount of Notes of authorized denominations in the form of certificated Notes. Any portion of a Global Note transferred or exchanged pursuant to this Section 2.10 shall be executed, authenticated and delivered only in registered form in denominations of \$2,000 and any integral multiples of \$1,000 in excess thereof and registered in such names as the Depository shall direct. Subject to the foregoing, a Global Note is not exchangeable except for a Global Note of like denomination to be registered in the name of the Depository or its nominee. In the event that a Global Note becomes exchangeable for certificated Notes, payment of principal, premium, if any, and interest on the certificated Notes will be payable, and the transfer of the certificated Notes will be registrable, at the office or agency of Arch Coal maintained for such purposes in accordance with Section 2.03. Such certificated Notes shall bear the applicable legends set forth in Exhibit A hereto.

(c) In the event of the occurrence of any of the events specified in this Section 2.10, Arch Coal will promptly make available to the Trustee a reasonable supply of certificated Notes in definitive, fully registered form without interest coupons.

Section 2.11. *Cancellation.* Arch Coal at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, in accordance with its customary procedures, and no one else shall cancel (subject to the record retention requirements of the Exchange Act and the Trustee's retention policy) all Notes surrendered for registration of transfer, exchange, payment or cancellation and dispose of such cancelled Notes in its customary manner. Except as otherwise provided in this Indenture, Arch Coal may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation. The Trustee shall provide Arch Coal a list of all Notes that have been cancelled from time to time as requested by Arch Coal.

Section 2.12. *Defaulted Interest.* Any interest on any Note that is payable, but is not punctually paid or duly provided for, on the dates and in the manner provided in the Notes and this Indenture (all such interest herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by Arch Coal, at its election in each case, as provided in clause (a) or (b) below:

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(a) Arch Coal may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. Arch Coal shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time Arch Coal may deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest; or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. In addition, Arch Coal shall fix a special record date for the payment of such Defaulted Interest, such date to be not more than 15 days and not less than 10 days prior to the proposed payment date and not less than 15 days after the receipt by the Trustee of the notice of the proposed payment date. Arch Coal shall promptly but, in any event, not less than 15 days prior to the special record date, notify the Trustee of such special record date and, in the name and at the expense of Arch Coal, the Trustee shall cause notice of the proposed payment date of such Defaulted Interest and the special record date therefor to be mailed first-class, postage prepaid to each Holder as such Holder's address appears in the Security Register, not less than 10 days prior to such special record date. Notice of the proposed payment date of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Notes are registered at the close of business on such special record date and shall no longer be payable pursuant to clause (b) below.

(b) Arch Coal may make payment of any Defaulted Interest on the Notes in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by Arch Coal to the Trustee of the proposed payment date pursuant to this clause, such manner of payment shall be deemed reasonably practicable.

Subject to the foregoing provisions of this Section 2.12, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

Section 2.13. *Computation of Interest.* Interest on the Notes shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.14. *CUSIP, ISIN and Common Code Numbers.* Arch Coal in issuing the Notes may use CUSIP, ISIN and Common Code numbers (if then generally in use), and, if so, the Trustee shall use CUSIP, ISIN and Common Code numbers, as appropriate, in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers or codes either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or

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omission of such numbers. Arch Coal will promptly notify the Trustee of any change in the CUSIP, ISIN or Common Code numbers.

Section 2.15. *Issuance of Additional Notes.* Arch Coal may, subject to Section 4.06 of this Indenture, issue Additional Notes under this Indenture in accordance with the procedures of Section 2.02. The Original Notes issued on the date of this Indenture and any Additional Notes subsequently issued shall be treated as a single class for all purposes under this Indenture.

Article 3 REDEMPTION; OFFERS TO PURCHASE

Section 3.01. *Optional Redemption.* Except as set forth in this Section 3.01, the Notes will not be redeemable at the option of Arch Coal prior to August 15, 2018. Starting on that date, Arch Coal may redeem all or any portion of the Notes, at once or over time, after giving notice specified in Sections 3.02 and 3.04. The Notes may be redeemed at the Redemption Prices set forth below, plus accrued and unpaid interest to the Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest, if any, due on the relevant Interest Payment Date as provided in Section 3.07). The following Redemption Prices are for Notes redeemed during the 12-month period commencing on August 15 of the years set forth below, and are expressed as percentages of principal amount:

<u>Year</u>	<u>Redemption Price</u>
2018	104.00%
2019	102.00%
2020 and thereafter	100.00%

In addition, at any time and from time to time, prior to August 15, 2018, on one or more occasions, Arch Coal may redeem an aggregate principal amount of Notes not to exceed 35% of the aggregate principal amount of the Notes (calculated giving effect to any issuance of Additional Notes) with the proceeds of one or more Equity Offerings, at a redemption price equal to 108.00% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date as provided in Section 3.07); provided, however, that after giving effect to any such redemption, at least 65% of the aggregate principal amount of the Notes (calculated giving effect to any issuance of Additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding any Notes held by Arch Coal or any of its Subsidiaries). Any such redemption shall be made within 90 days after the date of the closing of such Equity Offering upon not less than 30 nor more than 60 days' prior notice.

At any time prior to August 15, 2018, Arch Coal may, at its option, on one or more occasions redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the

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Notes redeemed plus the Applicable Premium as of the date of redemption, and, without duplication, accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

Any redemption pursuant to this Section 3.01 shall be made pursuant to the provisions of this Article Three.

Section 3.02. *Notices to Trustee.* If Arch Coal elects to redeem Notes pursuant to Section 3.01, it shall notify the Trustee in writing of the Redemption Date, the principal amount of Notes to be redeemed and the paragraph of the Notes pursuant to which the redemption will occur.

Arch Coal shall give each notice to the Trustee provided for in this Section 3.02 in writing at least 45 days before the date notice is mailed to the Holders pursuant to Section 3.04 unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate from Arch Coal to the effect that such redemption will comply with the conditions herein. If fewer than all the Notes are to be redeemed, the Record Date relating to such redemption shall be selected by Arch Coal and given to the Trustee, which Record Date shall be not less than 15 days after the date of notice to the Trustee.

Except as otherwise provided herein, no notice or communication to the Trustee pursuant to this Section 3.02 shall be deemed effectively given unless it is actually received by a Trust Officer at its Corporate Trust Office.

Section 3.03. *Selection of Notes to be Redeemed.* If less than all of the Notes are to be redeemed, the Trustee shall select the Notes to be redeemed in compliance with the requirements, as certified to it by Arch Coal, of the principal national securities exchange or automated quotation system, if any, on which the Notes are listed or, if the Notes are not listed on a national securities exchange or automated quotation system, by lot or by such other

method as the Trustee in its sole discretion shall deem fair and appropriate; provided, however, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than \$2,000.

The Trustee shall make the selection from the Notes outstanding and not previously called for redemption. The Trustee may select for redemption portions equal to \$2,000 in principal amount or any integral multiple of \$1,000 in excess thereof. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify Arch Coal and the Registrar promptly in writing of the Notes or portions of Notes to be called for redemption.

Section 3.04. *Notice of Redemption.* (a) At least 30 days but not more than 60 days before a date for redemption of Notes, Arch Coal shall deliver a notice of redemption to each Holder to be redeemed and shall comply with the provisions of Section 14.02(b).

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(b) The notice shall identify the Notes to be redeemed (including CUSIP, ISIN and Common Code numbers) and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price and the amount of accrued interest, if any to be paid;
- (3) the name and address of the Paying Agent;
- (4) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price plus accrued interest, if any;
- (5) that, if any Note is being redeemed in part, the portion of the principal amount (equal to \$1,000 in principal amount or any integral multiple thereof) of such Note to be redeemed and that, on and after the Redemption Date, upon surrender and cancellation of such Note, a new Note or Notes in principal amount equal to the unredeemed portion thereof shall be issued in the name of the Holder thereof;
- (6) that, if any Note contains a CUSIP, ISIN or Common Code number, no representation is being made as to the correctness of such CUSIP, ISIN or Common Code number either as printed on the Notes or as contained in the notice of redemption and that reliance may be placed only on the other identification numbers printed on the Notes;
- (7) that, unless Arch Coal defaults in making such redemption payment, interest on the Notes (or portion thereof) called for redemption shall cease to accrue on and after the Redemption Date; and
- (8) the section of this Indenture or the paragraph of the Notes pursuant to which the Notes called for redemption are being redeemed.

At Arch Coal's written request, the Trustee shall give a notice of redemption in Arch Coal's name and at Arch Coal's expense. In such event, Arch Coal shall provide the Trustee with the notice and the other information required by this Section 3.04.

Section 3.05. *Effect of Notice of Redemption.* Once a notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice. Upon surrender of any Notes to the Paying Agent, such Notes shall be paid at the Redemption Price stated in the notice, plus accrued interest, if any, to the Redemption Date. In any event, failure to give such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of Notes held by Holders to whom such notice was properly given.

Notice of redemption shall be deemed to be given when mailed, whether or not the Holder receives the notice. In any event, failure to give such notice, or any defect

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therein, shall not affect the validity of the proceedings for the redemption of Notes held by Holders to whom such notice was properly given.

Section 3.06. *Deposit of Redemption Price.* On or prior to any Redemption Date, Arch Coal shall deposit or cause to be deposited with the Paying Agent a sum in same day funds sufficient to pay the Redemption Price of and accrued interest on all Notes to be redeemed on that date other than Notes or portions of Notes called for redemption that have previously been delivered by Arch Coal to the Trustee for cancellation. The Paying Agent shall return to Arch Coal any money so deposited that is not required for that purpose.

Section 3.07. *Payment of Notes Called for Redemption.* If notice of redemption has been given in the manner provided above, the Notes or portion of Notes specified in such notice to be redeemed shall become due and payable on the Redemption Date at the Redemption Price stated therein, together with accrued interest to such Redemption Date, and on and after such date (unless Arch Coal shall default in the payment of such Notes at the Redemption Price and accrued interest to the Redemption Date, in which case the principal, until paid, shall bear interest from the Redemption Date at the rate prescribed in the Notes), such Notes shall cease to accrue interest. Upon surrender of any Note for redemption in accordance with a notice of redemption, such Note shall be paid and redeemed by Arch Coal at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that if an Interest Payment Date is on or prior to the Redemption Date, the accrued interest payable on such Interest Payment Date shall be paid on such Interest Payment Date to the Person in whose name the Notes are registered as such at the close of business on the relevant Record Date.

Section 3.08. *Notes Redeemed in Part.* (a) Upon surrender of a Global Note that is redeemed in part, the Paying Agent shall forward such Global Note to the Trustee who shall make a notation on the Security Register to reduce the principal amount of such Global Note to an amount equal to the unredeemed portion of the Global Note surrendered; provided, however, that each such Global Note shall be in a principal amount of \$2,000 and any integral multiple of \$1,000 in excess thereof.

(b) Upon surrender and cancellation of a certificated Note that is redeemed in part, Arch Coal shall execute and the Trustee shall authenticate for the Holder (at Arch Coal's expense) a new Note equal in principal amount to the unredeemed portion of the Note surrendered and canceled; provided, however, that each such certificated Note shall be in a principal amount of \$2,000 and any integral multiple of \$1,000 in excess thereof.

Article 4 COVENANTS

Section 4.01. *Payment of Notes.* Arch Coal covenants and agrees for the benefit of the Holders that it shall duly and punctually pay the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. Principal, premium, if any, and interest shall be considered paid on the

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date due if on such date the Trustee or the Paying Agent (other than Arch Coal or any of its Affiliates) holds, in accordance with this Indenture, money sufficient to pay all principal, premium, if any, and interest then due. If Arch Coal or any of its Affiliates acts as Paying Agent, principal, premium, if any, and interest shall be considered paid on the due date if the entity acting as Paying Agent complies with Section 2.04.

Arch Coal shall pay interest on overdue principal (and premium, if any) at the rate specified therefor in the Notes. Arch Coal shall pay interest on overdue installments of interest at the same rate to the extent lawful.

Section 4.02. *Corporate Existence.* Subject to Article Five, Arch Coal and each Restricted Subsidiary shall do or cause to be done all things necessary to preserve and keep in full force and effect their corporate, partnership, limited liability company or other existence and the rights (charter and statutory), licenses and franchises of Arch Coal and each Restricted Subsidiary; provided, however, that Arch Coal shall not be required to preserve any such right, license or franchise if the Board of Directors of Arch Coal shall determine that the preservation thereof is no longer desirable in the conduct of the business of Arch Coal and the Restricted Subsidiaries as a whole and that the loss thereof would not be disadvantageous in any material respect to the Holders.

Section 4.03. *Maintenance of Properties.* Arch Coal shall cause all properties owned by it or any of its Subsidiaries or used or held for use in the conduct of its business or the business of Arch Coal or any of its Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the judgment of Arch Coal, may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 4.03 shall prevent Arch Coal from discontinuing the maintenance of any such properties if such discontinuance is, in the judgment of Arch Coal, desirable in the conduct of the business of Arch Coal and its Subsidiaries as a whole and not disadvantageous in any material respect to the Holders.

Section 4.04. *Insurance.* Arch Coal shall maintain, and shall cause its Subsidiaries to maintain, insurance with carriers believed by Arch Coal to be responsible, against such risks and in such amounts, and with such deductibles, retentions, self-insured amounts and coinsurance provisions, as Arch Coal believes are customarily carried by businesses similarly situated and owning like properties, including as appropriate general liability, property and casualty loss and interruption of business insurance.

Section 4.05. *Statement as to Compliance.* (a) Arch Coal shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that in the course of the performance by the signer of its duties as an officer of Arch Coal he or she would normally have knowledge of any Default and whether or not the signer knows of any Default that occurred during such period and if any specifying such Default, its status and what action Arch Coal is taking or proposed to take with respect

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thereto. For purposes of this Section 4.05(a), such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

(b) When any Default has occurred and is continuing under this Indenture, or if the trustee of, or the holder of, any other evidence of Debt of Arch Coal or any Subsidiary outstanding in a principal amount of \$100.0 million or more gives any notice stating that it is a Notice of Default or takes any other action to accelerate such Debt or enforce any Note therefor, Arch Coal shall deliver to the Trustee within five Business Days by registered or certified mail or facsimile transmission an Officers' Certificate specifying such event, notice or other action, its status and what action Arch Coal is taking or proposes to take with respect thereto.

Section 4.06. *Limitation on Debt.* (a) Arch Coal shall not, and shall not permit any Restricted Subsidiary to, incur, directly or indirectly, any Debt unless, after giving effect to the application of the proceeds thereof, no Default or Event of Default would occur as a consequence of such Incurrence or be continuing following such Incurrence and either (1) such Debt is Debt of Arch Coal or a Guarantor, and, after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, Consolidated Interest Coverage Ratio of Arch Coal would be at least 2.0 to 1.0, or (2) such Debt is Permitted Debt.

(b) The term "Permitted Debt" is defined to include the following:

(1) Debt under Credit Facilities (including, (i) the Notes issued on the Issue Date, (ii) the Arch Coal Secured Notes and (iii) the Incurrence of Guarantees of any Credit Facilities issued hereunder) in an aggregate principal amount at any one time outstanding pursuant to this clause (1) not to exceed the greater of (x) \$3,000.0 million, less the aggregate amount of all Net Available Cash from Asset Sales applied by Arch Coal or any Restricted Subsidiary to Repay any such Debt pursuant to Section 4.09 of this Indenture and (y) an amount equal to 3.0 times Arch Coal's EBITDA with respect to Arch Coal's most recent four full fiscal quarters for which internal financial statements of Arch Coal are available, calculated on a pro forma basis consistent with the definition of Consolidated Interest Coverage Ratio;

(2) [reserved];

(3) Debt of Arch Coal or a Restricted Subsidiary in respect of Capital Lease Obligations and Purchase Money Debt; provided that the aggregate principal amount of all Debt Incurred and then outstanding pursuant to this clause (3) (together with all Permitted Refinancing Debt Incurred and then outstanding in respect of Debt previously Incurred pursuant to this clause (c)) does not exceed, at any one time outstanding, the greater of (x) \$750.0 million and (y) 7.5% of Consolidated Net Tangible Assets;

(4) Debt of Arch Coal owing to and held by any Restricted Subsidiary and Debt of a Restricted Subsidiary owing to and held by Arch Coal or any

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Restricted Subsidiary; provided, however, that any subsequent issue or transfer of Capital Stock that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Debt (except to Arch Coal or a Restricted Subsidiary or any pledge of such Debt constituting a Permitted Lien) shall be deemed, in each case, to constitute the Incurrence of such Debt by the issuer thereof;

(5) Debt under Interest Rate Agreements entered into by Arch Coal or a Restricted Subsidiary in the ordinary course of business;

(6) Debt under Currency Exchange Protection Agreements entered into by Arch Coal or a Restricted Subsidiary in the ordinary course of business;

(7) Debt under Commodity Price Protection Agreements entered into by Arch Coal or a Restricted Subsidiary in the ordinary course of business;

(8) Debt in connection with one or more standby letters of credit, performance bonds, bid bonds, appeal bonds, bankers acceptances, insurance obligations, surety bonds, completion guarantees or other similar bonds and obligations, including self-bonding arrangements, issued by Arch Coal or a Restricted Subsidiary in the ordinary course of business or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances;

(9) Debt of Arch Coal or any Restricted Subsidiary under one or more unsecured commercial paper facilities in an aggregate amount pursuant to this clause (9) (including all Permitted Refinancing Debt Incurred and then outstanding in respect of Debt previously Incurred pursuant to this clause (9)) not to exceed \$150.0 million at any one time outstanding;

(10) Debt of Arch Coal or a Restricted Subsidiary outstanding on the Issue Date not otherwise described in clauses (1) through (9) above or (11) through (19) below, including the Arch Coal Senior Notes and the related Guarantees thereof;

(11) other Debt of Arch Coal or any Restricted Subsidiary in an aggregate principal amount outstanding at any one time not to exceed the greater of (x) \$500.0 million and (y) 5.0% of Consolidated Net Tangible Assets;

(12) Permitted Refinancing Debt Incurred in respect of Debt Incurred pursuant to Section 4.06(a)(1) and clauses (3), (9), (10) and this clause (12) of Section 4.06(b);

(13) Debt consisting of installment payment obligations owed to any governmental agency in connection with the acquisition of coal leases or oil, gas or other real property interests in the ordinary course of business;

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(14) Debt Incurred by Arch Coal or any of its Restricted Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or guarantees or letters of credit, surety bonds or performance bonds securing any obligations of Arch Coal or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary (other than Guarantees of Debt Incurred by any Person acquiring all or any portion of such business, assets or Capital Stock of a Restricted Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds actually received by Arch Coal or any Restricted Subsidiary thereof in connection with such disposition;

(15) Debt Incurred by Arch Coal or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided, however, that such Debt is extinguished within five Business Days of its Incurrence;

(16) Debt Incurred by Arch Coal to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes;

(17) Debt of a Receivables Subsidiary in respect of a Receivables Facility, which is non-recourse to Arch Coal or any other Restricted Subsidiary in any way other than Standard Securitization Undertakings;

(18) Debt of Persons that are acquired by Arch Coal or any of its Restricted Subsidiaries or merged into a Restricted Subsidiary in accordance with the terms of this Indenture; provided, however, that such Debt is not Incurred in contemplation of such acquisition or merger or to provide all or a portion of the funds or credit support required to consummate such acquisition or merger; provided further, that, after giving effect to such acquisition and the Incurrence of such Debt, (x) Arch Coal would be permitted to Incur at least \$1.00 of additional Debt pursuant to Section 4.06(a)(1) or (y) the Consolidated Interest Coverage Ratio of Arch Coal and its Restricted Subsidiaries would be equal to or greater than immediately prior to such acquisition or merger; or

(19) Debt of Foreign Subsidiaries of Arch Coal in an aggregate principal amount outstanding at any one time not to exceed the greater of (x) \$500.0 million and (y) 5.0% of Consolidated Net Tangible Assets

Notwithstanding anything to the contrary contained in this Section 4.06, accrual of interest, accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Debt, will be deemed not to be an Incurrence of Debt for purposes of this Section 4.06.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt

denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Debt is Incurred to refinance other Debt denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Debt does not exceed the principal amount of such Debt being refinanced, plus the amount of any reasonable premium (including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Debt.

The principal amount of any Debt Incurred to refinance other Debt, if Incurred in a different currency from the Debt being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Debt is denominated that is in effect on the date of such refinancing.

For purposes of determining compliance with this Section 4.06 in the event that an item of Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (19) of Section 4.06(b) or is entitled to be incurred pursuant to Section 4.06(a)(1), Arch Coal shall, in its sole discretion classify, and may later reclassify, such item of Debt in any manner that complies with this Section 4.06. Notwithstanding the foregoing, Debt under the Amended and Restated Credit Agreement and the Notes, in each case outstanding on the Issue Date shall be deemed to have been Incurred on such date in reliance on the exception provided by Section 4.06(b)(1).

Section 4.07. *Limitation on Liens.* Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, Incur or suffer to exist, any Lien (other than Permitted Liens) upon any of its Property (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, or any interest therein or any income or profits therefrom; provided that Arch Coal and its Restricted Subsidiaries may Incur or suffer to exist, any Lien (in addition to Permitted Liens) upon any of its Property (including Capital Stock of a Restricted Subsidiary) that is not Collateral if it has made or will make effective provision whereby the Notes or any Note Guarantee will be secured by such Lien equally and ratably with all other Debt of Arch Coal or any Restricted Subsidiary secured by such Lien for so long as such other Debt is secured by such Lien; provided, however, that if such Debt is expressly subordinated to the Notes or any Note Guarantee, the Lien securing such Debt will be subordinated and junior to the Lien securing the Notes or such Note Guarantee, as the case may be, with the same relative priority as such Debt has with respect to the Notes or such Note Guarantee.

Section 4.08. *Limitation on Restricted Payments.* Arch Coal shall not make, and shall not permit any Restricted Subsidiary to make, directly or indirectly, any Restricted Payment if at the time of, and after giving effect to, such proposed Restricted Payment,

- (a) a Default or Event of Default shall have occurred and be continuing;
- (b) Arch Coal could not Incur at least \$1.00 of additional Debt pursuant to Section 4.06(a)(1) of this Indenture; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made since the Second Lien Issue Date (the amount of any Restricted Payment, if made other than in cash, to be based upon Fair Market Value at the time of such Restricted Payment) would exceed an amount equal to the sum of:
 - (1) 50% of the aggregate amount of Consolidated Net Income of Arch Coal accrued during the period (treated as one accounting period) from October 1, 2013 to the end of the most recent fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or if the aggregate amount of Consolidated Net Income of Arch Coal for such period shall be a deficit, minus 100% of such deficit), plus
 - (2) 100% of the Capital Stock Sale Proceeds, plus
 - (3) the sum of:
 - (A) the aggregate net cash proceeds received by Arch Coal or any Restricted Subsidiary from the issuance or sale after the Second Lien Issue Date of convertible or exchangeable Debt that has been converted into or exchanged for Capital Stock (other than Disqualified Stock) of Arch Coal, and
 - (B) the aggregate net cash proceeds received by Arch Coal from the issuance and sale after the Second Lien Issue Date of Debt of Arch Coal or any Restricted Subsidiary that has been converted or exchanged for Capital Stock (other than Disqualified Stock) of Arch Coal, excluding, in the case of clause (A) or (B) above:
 - (x) any such Debt issued or sold to Arch Coal or a Subsidiary of Arch Coal or an employee stock ownership plan or trust established by Arch Coal or any such Subsidiary for the benefit of their employees, and
 - (y) the aggregate amount of any cash or other Property distributed by Arch Coal or any Restricted Subsidiary upon any such conversion or exchange, plus
 - (4) an amount equal to the sum of:

(A) the net reduction in Investments in any Person other than Arch Coal or a Restricted Subsidiary resulting from dividends, repayments of loans or advances or other transfers of Property, in each case to Arch Coal or any Restricted Subsidiary from such Person, and

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(B) the portion (proportionate to Arch Coal's equity interest in such Unrestricted Subsidiary) of the Fair Market Value of the net assets of an Unrestricted Subsidiary of Arch Coal at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary;

provided, however, that the foregoing sum shall not exceed, in the case of any Person, the amount of Investments previously made (and treated as a Restricted Payment) by Arch Coal or any Restricted Subsidiary in such Person.

Notwithstanding the foregoing limitation, Arch Coal may:

(a) pay dividends on its Capital Stock within 60 days of the declaration thereof if, on the declaration date, such dividends could have been paid in compliance with this Indenture; provided, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(b) make Restricted Payments in exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of Arch Coal (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of Arch Coal or an employee stock ownership plan or trust established by Arch Coal or any such Subsidiary for the benefit of their employees); provided, however; that

(1) such purchase, repurchase, redemption, Legal Defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments, and

(2) the Capital Stock Sale Proceeds from such exchange or sale shall be excluded from the calculation pursuant to clause (c)(2) above;

(c) purchase, repurchase, redeem, legally defease, acquire or retire for value any Subordinated Obligations in exchange for, or out of the proceeds of the substantially concurrent sale of, Permitted Refinancing Debt; provided, however, that such purchase, repurchase, redemption, Legal Defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments;

(d) repurchase shares of, or options to purchase shares of, common stock of Arch Coal or any of its Subsidiaries from current or former officers, directors or employees of Arch Coal or any of its Subsidiaries (or permitted transferees of such current or former officers, directors or employees), pursuant to the terms of agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell, or are granted the option to purchase or sell, shares of such common stock; provided, however, that: (1) the aggregate amount of such repurchases shall not exceed \$10.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding years subject to a maximum of \$20.0 million in any calendar year) and (2) at the time of such repurchase, no other Default or Event of Default shall have occurred and be continuing (or result therefrom); provided further, however, that such repurchases shall be included in the calculation of the amount of Restricted Payments;

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(e) pay cash in lieu of fractional Capital Stock pursuant to the exchange or conversion of any exchangeable or convertible securities; provided, however, that such payment shall not be for the purpose of evading the limitation of Section 4.08 (as determined by the Board of Directors in good faith); provided further, however, that such payments will be excluded in the calculation of the amount of Restricted Payments;

(f) repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or other securities convertible into or exchangeable for Capital Stock of Arch Coal to the extent that such Capital Stock represents all or a portion of the exercise price thereof; provided, however, that such repurchase will be excluded in the calculation of the amount of Restricted Payments;

(g) declare and pay dividends to holders of any class or series of Disqualified Stock of Arch Coal or any Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, in each case issued in accordance with Section 4.06 of this Indenture; provided, however, that 50% of such dividends shall be included in the calculation of the amount of Restricted Payments;

(h) declare and pay dividends on Arch Coal's common stock not to exceed the greater of (1) an annual rate of \$0.60 per share (such amount to be appropriately adjusted to reflect any stock split, reverse stock split, stock dividend or similar transaction occurring after the Second Lien Issue Date so that the aggregate amount of dividends permitted after such transaction is the same as the amount permitted immediately prior to such transaction), and (2) \$150.0 million per full calendar year (in each case of clause (1) and (2) prorated for 2013 from the Second Lien Issue Date); provided however that any unused amounts in any calendar year may be carried over for the next succeeding calendar; provided further, that such dividends shall be excluded in the calculation of the amount of Restricted Payments; and

(i) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed \$400.0 million; provided, however, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments.

For purposes of determining compliance with this Section 4.08, if a Restricted Payment meets the criteria of more than one of the types of Restricted Payments described in clauses (a) through (i) above, Arch Coal may, in its sole discretion, classify such Restricted Payment in any manner that complies with this Section 4.08.

Section 4.09. *Limitation on Asset Sales.* Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Sale unless:

(a) Arch Coal or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the Property subject to such Asset Sale (such Fair Market Value to be determined at the time of contractually agreeing to such Asset Sale);

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- (b) at least 75% of the consideration paid to Arch Coal or such Restricted Subsidiary in connection with such Asset Sale is in the form of cash, Cash Equivalents or Additional Assets or a combination thereof. For purposes of this provision, each of the following will be deemed to be cash:
- (1) any liabilities of Arch Coal or any Restricted Subsidiary (other than contingent liabilities, liabilities that are by their terms subordinated to the Notes or the Note Guarantees and liabilities to the extent owed to Arch Coal or any Subsidiary of Arch Coal) that are assumed by the transferee of any Property or Capital Stock, as applicable, to the extent that Arch Coal and the Restricted Subsidiaries are no longer obligated with respect to such liabilities; and
 - (2) any securities, notes or other obligations received by Arch Coal or any such Restricted Subsidiary from such transferee that are converted by Arch Coal or such Restricted Subsidiary into cash within 180 days of receipt (to the extent of the cash received in that conversion); and
- (c) if such Asset Sale involves the disposition of Collateral, Arch Coal or such Guarantor (or the Restricted Subsidiary, as the case may be) has complied with the provisions of this Indenture and the Security Documents.

The Net Available Cash (or any portion thereof) from Asset Sales other than a sale of Collateral may be applied by Arch Coal or a Restricted Subsidiary to the extent Arch Coal or such Restricted Subsidiary elects (or is required by the terms of any Debt) to:

- (a) Repay any secured Debt (other than Subordinated Obligations) of Arch Coal or any Restricted Subsidiary, any Debt of a Restricted Subsidiary that is not a Guarantor (other than Debt owed to Arch Coal or another Restricted Subsidiary) or any Debt under the Amended and Restated Credit Agreement;
- (b) make a capital expenditure or reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Arch Coal or another Restricted Subsidiary); or
- (c) Repay other Pari Passu Debt; provided that Arch Coal shall also equally and ratably reduce Debt under the Notes through open-market purchases or by making an offer (in accordance with the procedures set forth below for a Prepayment Offer) to all Holders to purchase the pro rata principal amount of Notes, in each case at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

The Net Available Cash (or any portion thereof) from Asset Sales that constitute the sale of Collateral may be applied by Arch Coal or a Restricted Subsidiary to the extent Arch Coal or such Restricted Subsidiary elects (or is required by the terms of any Debt) to:

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- (a) repay First Lien Obligations; or
- (b) make a capital expenditure or reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Arch Coal or another Restricted Subsidiary); provided that such Additional Assets are pledged as Collateral under the Security Documents in the manner required under the Security Document.

Any Net Available Cash from an Asset Sale (other than an Asset Sale consisting of all of the Capital Stock of Mountain Coal Company, L.L.C.) not applied in accordance with the preceding two paragraphs within 365 days from the date of the receipt of such Net Available Cash or that is not segregated from the general funds of Arch Coal for investment in identified Additional Assets in respect of a project that shall have been commenced, and for which binding contractual commitments have been entered into, prior to the end of such 365-day period and that shall not have been completed or abandoned shall constitute "Excess Proceeds;" provided, however, that the amount of any Net Available Cash that ceases to be so segregated as contemplated above and any Net Available Cash that is segregated in respect of a project that is abandoned or completed shall also constitute "Excess Proceeds" at the time any such Net Available Cash ceases to be so segregated or at the time the relevant project is so abandoned or completed, as applicable; provided further, however, that the amount of any Net Available Cash that continues to be segregated for investment and that is not actually reinvested within twenty-four months from the date of the receipt of such Net Available Cash shall also constitute "Excess Proceeds." Any Net Available Cash from an Asset Sale consisting of all of the Capital Stock of Mountain Coal Company, L.L.C. not applied in accordance with the preceding paragraph within 365 days from the date of the receipt of such Net Available Cash shall be segregated from the general funds of Arch Coal and invested in cash or Cash Equivalents pending application in accordance with the preceding paragraph. Subject to the foregoing, Arch Coal or such Restricted Subsidiary may apply the Net Available Cash to temporarily reduce Debt outstanding under a revolving credit facility or otherwise invest such Net Available Cash in any manner not prohibited by the Amended and Restated Credit Agreement pending the final application of the Net Available Cash pursuant to this Section 4.09.

When the aggregate amount of Excess Proceeds exceeds \$50.0 million (or earlier at Arch Coal's option, in which case Excess Proceeds shall be deemed to include any Net Available Cash Arch Coal elects to include in such repurchase offer), Arch Coal will be required to make an offer to repurchase (the "Prepayment Offer") the Notes, and (a) in the case of Net Available Cash from Collateral, to the holders of any other Pari Passu Secured Debt containing provisions similar to those set forth in this Indenture with respect to asset sales or (b) in the case of any other Net Available Cash, to all holders of other Pari Passu Debt containing provisions similar to those set forth in this Indenture with respect to asset sales, in each case, which offer shall be in the amount of the Excess Proceeds, on a pro rata basis according to principal amount, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), in accordance with the procedures

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(including prorating in the event of oversubscription) set forth in this Indenture. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentence and provided that all Holders of Notes have been given the opportunity to tender their Notes for repurchase in accordance with this Indenture, Arch Coal or such Restricted Subsidiary may use such remaining amount for any purpose not prohibited by this Indenture, and the amount of Excess Proceeds will be reset to zero.

Within five Business Days after Arch Coal is obligated to make a Prepayment Offer as described in the preceding paragraph, Arch Coal shall send or arrange to be sent a written notice, by first-class mail, to the Holders of Notes, accompanied by such information regarding Arch Coal and its Subsidiaries as Arch Coal in good faith believes will enable such Holders to make an informed decision with respect to such Prepayment Offer. Such notice shall state, among other things, the purchase price and the repurchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed.

Arch Coal will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section 4.09. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.09, Arch Coal will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.09 by virtue thereof.

Section 4.10. *Limitation on Transactions with Affiliates.* Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of transactions (including the purchase, sale, transfer, assignment, lease, conveyance or exchange of any Property or the rendering of any service) with, or for the benefit of, any Affiliate of Arch Coal (an "Affiliate Transaction") involving consideration in excess of \$15.0 million, unless:

(a) the terms of such Affiliate Transaction are not materially less favorable to Arch Coal or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate of Arch Coal;

(b) if such Affiliate Transaction involves aggregate payments or value in excess of \$50.0 million, the Board of Directors approves such Affiliate Transaction and, in its good faith judgment, believes that such Affiliate Transaction complies with clause (a) of this paragraph as evidenced by a Board Resolution promptly delivered to the Trustee; and

(c) if such Affiliate Transaction involves aggregate payments or value in excess of \$250.0 million, Arch Coal obtains a written opinion from an Independent Financial Advisor to the effect that the consideration to be paid or received in connection with such Affiliate Transaction is fair, from a financial point of view, to Arch Coal or such Restricted Subsidiary or that such Affiliate Transaction is not materially less favorable to Arch Coal or such Restricted Subsidiary, as the case may be, than those that could be

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obtained in a comparable arm's length transaction with a Person that is not an Affiliate of Arch Coal.

Notwithstanding the foregoing limitation, Arch Coal or any Restricted Subsidiary may enter into or suffer to exist the following:

(a) any transaction or series of transactions between Arch Coal and one or more Restricted Subsidiaries, or among Restricted Subsidiaries;

(b) any Restricted Payment permitted to be made pursuant to Section 4.08 of this Indenture or Permitted Investments (other than pursuant to clause (b) or (c) of such definition);

(c) any reasonable and customary employment, consulting, service or termination agreement, or indemnification agreement, entered into by Arch Coal or any of its Restricted Subsidiaries with officers, directors, employees and consultants of Arch Coal or any of its Restricted Subsidiaries and the payment of fees or compensation (including amounts paid pursuant to employment and related agreements and employee benefit plans) for the personal services of current or former officers, directors, employees and consultants of Arch Coal or any of its Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option, stock awards or similar plans);

(d) loans and advances to employees made in the ordinary course of business permitted by law and consistent with the past practices of Arch Coal or such Restricted Subsidiary;

(e) indemnities of officers, directors and employees of Arch Coal or any Restricted Subsidiary consistent with applicable charter, bylaw or statutory provisions;

(f) agreements in effect on the Issue Date and any modifications, extensions or renewals thereto that are not materially less favorable taken as a whole to Arch Coal or any Restricted Subsidiary than such agreements as in effect on the Issue Date;

(g) pledges of Capital Stock of Unrestricted Subsidiaries for the benefit of lenders to such Unrestricted Subsidiaries;

(h) any transaction with a Receivables Subsidiary as part of a Receivables Facility and otherwise in compliance with this Indenture that are fair to Arch Coal or its Restricted Subsidiaries or not less favorable to Arch Coal or its Restricted Subsidiaries than those that might be obtained at the time with Persons that are not Affiliates of Arch Coal (as determined in good faith by the Board of Directors); and

(i) transactions with Unrestricted Subsidiaries, customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, or lessors or lessees of property, in each case in the ordinary course of business (including, without limitation, pursuant to joint venture agreements) and otherwise in compliance with the terms of this Indenture which are, in the aggregate (taking into account all the costs and

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benefits associated with such transactions), materially no less favorable taken as a whole to Arch Coal or its Restricted Subsidiaries than those that would have been obtained in a comparable transaction by Arch Coal or such Restricted Subsidiary with an unrelated Person, as determined in good faith by Arch Coal.

Section 4.11. *Change of Control.* Upon the occurrence of a Change of Control, unless Arch Coal has previously or concurrently mailed a redemption notice with respect to all outstanding Notes as described in Article Three, each Holder of Notes shall have the right to require Arch Coal to repurchase all or any part of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at a purchase price (the "Change of Control Purchase Price") equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date). If the repurchase date is after a Record Date and on or before the relevant Interest Payment Date, accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Note is registered at the close of business on that Record Date, and no additional interest will be payable to Holders whose Notes shall be subject to repurchase.

Within 30 days following any Change of Control, Arch Coal shall:

(a) cause a notice of the Change of Control Offer to be sent at least once to the Dow Jones News Service or similar business news service in the United States; and

(b) send or cause to be sent, by first-class mail, with a copy to the Trustee, to each Holder of Notes, at such Holder's address appearing in the Security Register, a notice stating:

(1) that a Change of Control has occurred and a Change of Control Offer is being made pursuant to this Section 4.11 of this Indenture and that all Notes properly tendered will be accepted for payment;

(2) the Change of Control Purchase Price and the repurchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed; and

(3) the procedures that Holders of Notes must follow in order to tender their Notes (or portions thereof) for payment, and the procedures that Holders of Notes must follow in order to withdraw an election to tender Notes (or portions thereof) for payment.

Arch Coal shall not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by Arch Coal and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made

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in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

With respect to the Notes, if Holders of not less than 95% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and Arch Coal, or any third party making a Change of Control Offer in lieu of Arch Coal as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, Arch Coal or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to the applicable Change of Control Purchase Price plus, to the extent not included in the Change of Control Purchase Price, accrued and unpaid interest, if any, thereon, to the date of redemption.

Arch Coal shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.11, Arch Coal shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.11 by virtue of such compliance.

Section 4.12. *Guarantees by Restricted Subsidiaries.* Arch Coal shall not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to Guarantee or secure the payment of any other Debt of Arch Coal or any of its Restricted Subsidiaries under the Amended and Restated Credit Agreement or any capital markets Debt unless within 15 days, such Restricted Subsidiary (a) executes and delivers a supplemental indenture to this Indenture providing for a Note Guarantee of the payment of the Notes by such Restricted Subsidiary, (b) grants a Lien in the Collateral owned by such Restricted Subsidiary in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and (c) executes joinder agreements to the Security Documents, agreeing to be bound thereby; provided that this paragraph shall not be applicable to:

(1) any Guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(2) any Guarantee arising under or in connection with performance bonds, indemnity bonds, surety bonds or letters of credit or bankers' acceptances or coal sales contracts; or

(3) Permitted Liens.

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If the Guaranteed Debt is a Subordinated Obligation, the Guarantee of such Guaranteed Debt must be subordinated in right of payment to the Note Guarantee to at least the extent that the Guaranteed Debt is subordinated to the Notes or the applicable Note Guarantee.

Section 4.13. *Limitation on Restrictions on Distributions from Restricted Subsidiaries.* Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist any consensual restriction on the right of any Restricted Subsidiary to:

- (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock, or pay any Debt or other obligation owed, to Arch Coal or any other Restricted Subsidiary;
- (b) make any loans or advances to Arch Coal or any other Restricted Subsidiary; or
- (c) transfer any of its Property to Arch Coal or any other Restricted Subsidiary.
- (d) The foregoing limitations will not apply:

(1) with respect to clauses (a), (b) and (c) above, to restrictions:

(A) in effect on the Issue Date (including, without limitation, restrictions pursuant to the Arch Coal Senior Notes and each of the Arch Coal Senior Notes Indentures, the Arch Coal Secured Notes and each of the Arch Coal Secured Notes Indentures, the Amended and Restated Credit Agreement, the Notes and this Indenture);

(B) relating to any agreement or other instrument of a Restricted Subsidiary of Arch Coal and existing at the time it became a Restricted Subsidiary if such restriction was not created in connection with or in anticipation of the transaction or series of transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by Arch Coal;

(C) that result from any amendment, restatement, renewal, replacement or refinancing of an agreement referred to in clause (1)(A) or (B) above or in clause (2)(A) or (B) below, provided such restrictions are not materially more restrictive, taken as a whole, than those under the agreement being amended, restated, renewed, refinanced or replaced;

(D) existing under, or by reason of or with respect to applicable law, rule, regulation or order of any governmental authority;

(E) on cash or other deposits or net worth imposed by customers or required by insurance surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

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(F) relating to Debt of a Receivables Subsidiary or other contractual requirements of a Receivables Subsidiary in connection with a Receivables Facility; provided that such restrictions only apply to such Receivables Subsidiary or the receivables which are subject to the Receivables Facility;

(G) with respect to any Person or the Property of a Person acquired by Arch Coal or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in anticipation of such acquisition, which restriction is not applicable to any Person or the Property of any Person, other than the Person, or the Property of the Person, so acquired and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, provided that the restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, than those in effect on the date of the acquisition;

(H) contained in customary provisions in asset sale agreements limiting the transfer of such Property or distributions or loans from the Property to be sold pending the closing of such sale;

(I) contained in customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements that restrict the transfer of ownership interest in, or assets of, such partnership, limited liability company, joint venture or similar Person; and

(J) contained in agreements or instruments governing the Debt of a Restricted Subsidiary; provided that such restrictions contained in any agreement or instrument will not materially affect Arch Coal's ability to make anticipated principal or interest payments on the Notes (as determined in good faith by the Board of Directors or the senior management of Arch Coal); and

(2) with respect to clause (c) only, to restrictions:

(A) relating to Debt that is permitted to be Incurred and secured without also securing the Notes pursuant to Sections 4.06 and 4.07 of this Indenture that limit the right of the debtor to dispose of the Property securing such Debt;

(B) resulting from customary provisions restricting subletting, assignment or transfer of any property or asset that is subject to a lease, license, sub-license or similar contract or customary provisions in other

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agreements that restrict assignment or transfer of such agreements or rights thereunder; or

(C) customary restrictions contained in asset sale agreements limiting the transfer of such Property pending the closing of such sale.

Section 4.14. *Designation of Restricted and Unrestricted Subsidiaries.* The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation (which would constitute an Investment in such Subsidiary) would not result in a breach of Section 4.08 of this Indenture or otherwise cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by Arch Coal and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation as set forth under the definition of "Investment" and will reduce the amount available for Restricted Payments under Section 4.08 of this Indenture or Permitted Investments, as determined by Arch Coal. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

The Board of Directors may also designate any Subsidiary of Arch Coal to be an Unrestricted Subsidiary if:

(a) the Subsidiary to be so designated does not own any Capital Stock or Debt of, or own or hold any Lien on any Property of, Arch Coal or any other Restricted Subsidiary and is not required to be a Guarantor pursuant to this Indenture; and

(b) either:

(1) the Subsidiary to be so designated has total assets of \$1.0 million or less; or

(2) such designation is effective immediately upon such entity becoming a Subsidiary of Arch Coal.

Unless so designated as an Unrestricted Subsidiary, any Person that becomes a Subsidiary of Arch Coal will be classified as a Restricted Subsidiary; provided, however, that such Subsidiary shall not be designated a Restricted Subsidiary and shall be automatically classified as an Unrestricted Subsidiary if either of the requirements set forth in clauses (x) and (y) of the second immediately following paragraph will not be satisfied after giving pro forma effect to such classification or if such Person is a Subsidiary of an Unrestricted Subsidiary.

In addition, neither Arch Coal nor any of its Restricted Subsidiaries shall at any time be directly or indirectly liable for any Debt that provides that the holder thereof may (with the passage of time or notice or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its Stated Maturity upon the occurrence of a default with respect to any Debt, Lien or other obligation of any Unrestricted Subsidiary (including any right to take enforcement action against such

Unrestricted Subsidiary) except for a pledge of the Capital Stock of any Unrestricted Subsidiary for the benefit of such holders.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary if, immediately after giving pro forma effect to such designation,

(x) Arch Coal could Incur at least \$1.00 of additional Debt pursuant to Section 4.06(a)(1) of this Indenture and

(y) no Default or Event of Default shall have occurred and be continuing or would result therefrom.

Any such designation or redesignation by the Board of Directors will be evidenced by filing with the Trustee a Board Resolution giving effect to such designation or redesignation and an Officers' Certificate that:

(a) certifies that such designation or redesignation complies with the foregoing provisions; and

(b) gives the effective date of such designation or redesignation, such filing with the Trustee to occur within 45 days after the end of the fiscal quarter of Arch Coal in which such designation or redesignation is made (or, in the case of a designation or redesignation made during the last fiscal quarter of Arch Coal's fiscal year, within 90 days after the end of such fiscal year).

Section 4.15. *Payment of Taxes and Other Claims.* Arch Coal will pay or discharge and shall cause each of the Subsidiaries to pay or discharge, or cause to be paid or discharged, before the same shall become delinquent (a) all material taxes, assessments and governmental charges levied or imposed upon (1) Arch Coal or any such Subsidiary, (2) the income or profits of any such Subsidiary which is a corporation or (3) the property of Arch Coal or any such Subsidiary and (b) all material lawful claims for labor, materials and supplies that, if unpaid, might by law become a Lien upon the property of Arch Coal or any such Subsidiary; provided, however, that Arch Coal shall not be required to pay or discharge, or cause to be paid or discharged, any such tax, assessment, charge or claim the amount, applicability or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established.

Section 4.16. *Reports to Holders.* Notwithstanding that Arch Coal may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, Arch Coal shall file with the Commission and, if not filed electronically with the Commission, will provide to the Trustee (within 15 days after it would have been required to file with the Commission) such quarterly and annual information that would be required to be contained in a filing with the Commission on Forms 10-K and 10-Q, as if Arch Coal were required to file such forms; provided, however, that Arch Coal shall not be so obligated to file such information, documents and reports with the Commission if the Commission does not permit such filings; provided further, however, that Arch Coal will be required to provide to the Trustee any such quarterly and annual information, documents or reports that are not so filed.

In addition, Arch Coal and the Guarantors agree that, for so long as any Notes remain outstanding, if at any time they are not required to file with the Commission the reports required by the preceding paragraph, they will furnish to Holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In addition, Arch Coal and the Guarantors will comply with Section 314(a) of the Trust Indenture Act.

Section 4.17. *Waiver of Stay, Extension or Usury Laws.* Arch Coal and each of the Guarantors covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead (as a defense or otherwise) or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law which would prohibit or forgive any of Arch Coal and the Guarantors from paying all or any portion of the principal of, premium, if any, and/or interest on the Notes or the Note Guarantees as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and (to the extent that they may lawfully do so) each of Arch Coal and the Guarantors hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 4.18. *Further Instruments and Acts.* Upon request of the Trustee or the Collateral Agent (but without imposing any duty or obligation of any kind on the Trustee or the Collateral Agent to make any such request), Arch Coal and the Guarantors shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 4.19. *Covenant Termination.* Upon the first date that (a) the Notes have Investment Grade Ratings from both Ratings Agencies and (b) no Default or Event of Default has occurred and is continuing hereunder, Arch Coal and its Restricted Subsidiaries will cease to be subject to the provisions of this Indenture described under Sections 4.06, 4.08, 4.09, 4.10, 4.13, 4.14 and clause (b)(3) of Section 5.01 hereof.

Article 5 CONSOLIDATION, MERGER OR SALE OF ASSETS

Section 5.01. *Consolidation, Merger or Sale of Assets.* (a) Arch Coal shall not:

(1) merge, consolidate or amalgamate with or into any other Person (other than a merger of a Restricted Subsidiary of Arch Coal into Arch Coal); or

(2) sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any one transaction or series of transactions.

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(b) Clause (a) above shall not apply to Arch Coal if:

(1) at the time and immediately after giving effect to any such consolidation, merger, transaction or series of transactions, either Arch Coal shall be the Surviving Person or the Surviving Person (if other than Arch Coal) formed by such merger, consolidation or amalgamation or the Person that acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of Arch Coal's Property:

(A) shall be a corporation, partnership or limited liability company organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia; provided that at any time the Surviving Person is a partnership or a limited liability company, there shall be a co-issuer of the Notes that is a corporation that also satisfies the requirements of this clause(b)(1)(A); and

(B) expressly assumes (if other than Arch Coal) all obligations of Arch Coal under this Indenture, the Notes, the New Intercreditor Agreement, the Existing Intercreditor Agreement and the Security Documents, pursuant to agreements in form satisfactory to the Trustee and the Collateral Agent, as applicable;

(2) immediately after giving effect to such transaction or series of transactions on a pro forma basis (and treating, for purposes of this clause (b)(2) and clause (b)(3) below any Debt that becomes, or is anticipated to become, an obligation of the Surviving Person or any Restricted Subsidiary as a result of such transaction or series of transactions as having been Incurred by the Surviving Person or such Restricted Subsidiary at the time of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction or series of transactions on a pro forma basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such pro forma calculation), the Surviving Person could incur (1) at least \$1.00 of additional Debt under Section 4.06(a)(1) of this Indenture or (2) the Consolidated Interest Coverage Ratio of Arch Coal and its Restricted Subsidiaries would be equal to or greater than immediately prior to such transaction;

(4) at the time of such transaction or series of transactions, Arch Coal or the Surviving Person shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction or series of transactions and the supplemental indenture, if any, in

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respect thereto comply with the requirements of this Section 5.01 and that all conditions precedent herein relating to such transaction or series of transactions have been satisfied;

(5) the Surviving Entity (if other than Arch Coal) causes such amendments, supplements or other instruments to be executed, delivered, filed and recorded, as applicable, in such jurisdictions as may be required by applicable law to preserve and protect the Lien of the Security Documents on the Collateral owned by or transferred to such Surviving Entity;

(6) the Collateral owned by or transferred to the Surviving Entity shall (A) continue to constitute Collateral under this Indenture and the Security Documents, (B) be subject to the Lien in favor of the Collateral Agent for the benefit of the Trustee and the Holders of the Notes, and (C) not be subject to any Lien other than Permitted Liens; and

(7) the property and assets of the Surviving Entity, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Surviving Entity shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the Security Documents in the manner and to the extent required in this Indenture.

Clause (b)(3) of this Section 5.01 shall not apply to (1) any merger, consolidation or sale, assignment, transfer, conveyance or other disposition of assets between or among Arch Coal and any of its Restricted Subsidiaries or (2) a merger of Arch Coal with an Affiliate solely for the purpose of reincorporating Arch Coal in another jurisdiction.

(c) Arch Coal shall not permit any Guarantor to consolidate with or merge with or into any Person or sell, assign, transfer, convey or otherwise dispose of, all or substantially all of its assets, in one or more related transactions, to any Person unless Arch Coal has delivered to the Trustee an Officers' Certificate and Opinion of Counsel stating that such consolidation, merger, transaction or series of transactions complies with the following conditions and each of the following conditions is satisfied:

(1) the other Person is Arch Coal or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; or

(2) (A) either (x) the Guarantor shall be the Surviving Person or (y) the entity formed by such consolidation or into which the Guarantor is merged, expressly assumes, by a Guarantee or a supplemental indenture in form satisfactory to the Trustee, executed and delivered to the Trustee by such surviving Person the due and punctual performance and observance of all the obligations of such Guarantor under the Note Guarantee; and

(B) the Surviving Person, if other than the Guarantor, causes such amendments, supplements or other instruments to be executed, delivered, filed and recorded, as applicable, in such jurisdictions as may

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be required by applicable law to preserve and protect the Lien of the Security Documents on the Collateral owned by or transferred to such entity; and

(C) the Surviving Person, if other than the Guarantor, is a corporation or limited liability company organized under the laws of the United States, any state thereof or the District of Columbia and immediately after giving effect to the transaction and any related Incurrence of Debt of, no Default or Event of Default shall have occurred and be continuing; or

(3) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to another Guarantor) and at the time of such transaction after giving pro forma effect thereto, the provisions of clause (b)(3) of this Section 5.01 would be satisfied, the transaction is otherwise permitted by this Indenture and the Guarantor is released from its Guarantee at the time of such transaction in accordance with this Indenture.

Section 5.02. *Successor Substituted.* Upon any consolidation or merger, or any sale, conveyance, transfer, lease or other disposition of all or substantially all of the property and assets of Arch Coal in accordance with Section 5.01 of this Indenture, any Surviving Person formed by such consolidation or into which Arch Coal is merged or to which such sale, conveyance, transfer, lease or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, Arch Coal under this Indenture (or of the Guarantor under the Note Guarantee, as the case may be) with the same effect as if such Surviving Person had been named as Arch Coal (or such Guarantor) herein; provided, however, that Arch Coal shall not be released from its obligation or covenants under this Indenture in the case of (x) a sale, transfer, assignment, conveyance or other disposition (unless such sale, transfer, assignment, conveyance or other disposition is of all the assets of Arch Coal as an entirety or virtually as an entirety) or (y) a lease.

Article 6 DEFAULTS AND REMEDIES

Section 6.01. *Events of Default.* (a) "Event of Default", wherever used herein, means in respect of the Notes any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) the failure to make the payment of any interest on the Notes when the same becomes due and payable, and such failure continues for a period of 30 days; or

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(2) the failure to make the payment of principal of, or premium, if any, on any of the Notes when the same becomes due and payable at its Stated Maturity, upon acceleration, optional redemption, required repurchase or otherwise; or

(3) a default in the performance, or breach, of any covenant or agreement of Arch Coal or any Guarantor under Sections 4.09, 4.11 or 5.01; or

(4) failure to comply with Section 4.16 for 120 days after written notice ("Notice of Default") has been given, by registered or certified mail, (x) to Arch Coal by the Trustee or (y) to Arch Coal and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default"; or

(5) a default in the performance, or breach, of any covenant or agreement of Arch Coal or any Guarantor under this Indenture (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with elsewhere in this Section 6.01) and such default or breach shall continue for a period of 60 days after Notice of Default has been given, by registered or certified mail, (x) to Arch Coal by the

Trustee or (y) to Arch Coal and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default"; or

(6) a default under any Debt by Arch Coal or any Restricted Subsidiary that results in acceleration of the maturity of such Debt, or failure to pay any such Debt at maturity, in an aggregate amount greater than \$100.0 million or its foreign currency equivalent at the time; or

(7) any final judgment or judgments for the payment of money in an aggregate amount in excess of \$100.0 million (or its foreign currency equivalent at the time), to the extent such judgments are not paid or covered by insurance provided by a reputable carrier that shall be rendered against Arch Coal or any Restricted Subsidiary and that shall not be waived, satisfied, stayed or discharged for any period of 60 consecutive days after the date on which the right to appeal has expired; or

(8) the entry by a court of competent jurisdiction of (A) a decree or order for relief in respect of Arch Coal, any Guarantor or any other Significant Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (B) a decree or order adjudging Arch Coal, any Guarantor or any other Significant Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of Arch Coal, any Guarantor or any other Significant Subsidiary under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Arch Coal, any Guarantor or any other Significant

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Subsidiary or of any substantial part of their respective properties or ordering the winding up or liquidation of their affairs, and any such decree, order or appointment pursuant to any Bankruptcy Law for relief shall continue to be in effect, or any such other decree, appointment or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(9) (A) Arch Coal, any Guarantor or any other Significant Subsidiary (x) commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent or (y) consents to the filing of a petition, application, answer or consent seeking reorganization or relief under any applicable Bankruptcy Law, (B) Arch Coal, any Guarantor or any other Significant Subsidiary consents to the entry of a decree or order for relief in respect of Arch Coal, any Guarantor or any other Significant Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it or, (C) Arch Coal, any Guarantor or any other Significant Subsidiary (D) consents to the appointment of, or taking possession by, a custodian, receiver, liquidator, administrator, supervisor, assignee, trustee, sequestrator or similar official of Arch Coal, any Guarantor or any other Significant Subsidiary or of any substantial part of their respective properties, (y) makes an assignment for the benefit of creditors or (z) admits in writing its inability to pay its debts generally as they become due; or

(10) any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason (other than in accordance with the provisions of this Indenture) to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under any Note Guarantee; and

(11) unless all of the Collateral has been released from the 1.5 Priority Liens in accordance with the provisions of the Security Documents, (x) default by Arch Coal or any Guarantor in the performance of the Security Documents which adversely affects the enforceability, validity, perfection or priority of the 1.5 Priority Liens on any Collateral, individually or in the aggregate, having a fair market value in excess of \$100.0 million, (y) the repudiation or disaffirmation by Arch Coal or any Guarantor of its material obligations under the Security Documents or (z) the determination in a judicial proceeding that the Security Documents are unenforceable or invalid against Arch Coal or any Guarantor party thereto for any reason with respect to any Collateral, individually or in the aggregate, having a fair market value in excess of \$100.0 million, in each case, which default, repudiation, disaffirmation or determination is not rescinded, stayed, or waived by the Persons having such authority pursuant to the Security Documents or otherwise cured within 60 days after Arch Coal receives written notice thereof specifying such occurrence from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes and demanding that such default be remedied.

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(b) Arch Coal shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event that with the giving of notice or the lapse of time or both would become an Event of Default, its status and what action is being taken or proposed to be taken with respect thereto.

(c) If a Default or an Event of Default occurs and is continuing and is known to a Trust Officer of the Trustee, the Trustee shall mail to each Holder notice of the Default or Event of Default within 90 days after its occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, on the Notes or interest, if any, on any Note, the Trustee may withhold the notice to the Holders if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 6.02. *Acceleration.* (a) If an Event of Default with respect to the Notes (other than an Event of Default specified in Section 6.01(8) or (9) of this Indenture) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding by written notice to Arch Coal (and to the Trustee if such notice is given by the Holders) may and the Trustee, upon the written request of such Holders shall, declare the principal amount, and accrued and unpaid interest to the date of acceleration on, all of the outstanding Notes immediately due and payable, and upon any such declaration such principal amount in respect of the Notes shall become immediately due and payable.

(b) If an Event of Default specified in Section 6.01(8) or (9) of this Indenture occurs and is continuing, then the principal amount of all of the outstanding Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(c) At any time after a declaration of acceleration under this Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the Holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to Arch Coal and the Trustee, may waive all past Defaults and rescind and annul such declaration of acceleration and its consequences if:

(1) Arch Coal or the Guarantors have paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue interest, if any, on all Notes then outstanding;

(B) all unpaid principal of and premium, if any, on any outstanding Notes that has become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes;

(C) to the extent that payment of such interest is lawful, interest upon overdue interest, if any, at the rate borne by the Notes; and

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(D) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(3) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and interest, if any, on the Notes that has become due solely by such declaration of acceleration, have been cured or waived as provided in Section 6.04 of this Indenture.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(d) Notwithstanding Section 6.02(c) of this Indenture, in the event of a declaration of acceleration in respect of the Notes because of an Event of Default specified in Section 6.01(a)(6) of this Indenture shall have occurred and be continuing, such declaration of acceleration shall be automatically annulled if the default or failure to make payment triggering such Event of Default shall be remedied or cured by Arch Coal or a Restricted Subsidiary or waived by the holders of the relevant Debt within 20 days after the declaration of acceleration of the Notes with respect thereto and if (x) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (y) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(e) Subject to Article Seven of this Indenture relating to the duties of the Trustee, in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under this Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee indemnity satisfactory to it. Subject to such provisions for the indemnification of the Trustee, the Holders of at least a majority in aggregate principal amount of the Notes then outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Notes.

No Holder of Notes will have any right to institute any proceeding with respect to this Indenture, or for the appointment of a receiver or trustee, or for any remedy thereunder, unless:

(1) such Holder has previously given to the Trustee written notice of a continuing Event of Default;

(2) the registered Holders of at least 25% in aggregate principal amount of the Notes then outstanding have made a written request and offered indemnity satisfactory to the Trustee to institute such proceeding as Trustee; and

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(3) the Trustee shall not have received from the registered Holders of at least a majority in aggregate principal amount of the Notes then outstanding a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days.

However, such limitations do not apply to a suit instituted by a Holder of any Note for enforcement of payment of the principal of, and premium, if any, or interest on, such Note on or after the respective due dates expressed in such Note.

Section 6.03. *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

Section 6.04. *Waiver of Past Defaults.* The Holders of not less than a majority in principal amount of the outstanding Notes may on behalf of the Holders of all the Notes waive any past Default hereunder and its consequences, except a Default:

(a) in respect of the payment of the principal of (or premium, if any), or interest on, any Note, or

(b) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each outstanding Note affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 6.05. *Control by Majority.* The Holders of not less than a majority in aggregate principal amount of the then outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on the Trustee under this Indenture; provided that:

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(a) the Trustee may refuse to follow any direction that conflicts with law, this Indenture or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction;

(b) the Trustee may refuse to follow any direction that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability; and

(c) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Prior to taking or not taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

Section 6.06. *Limitation on Suits.* A Holder may not pursue any remedy with respect to this Indenture or the Notes unless:

(a) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in aggregate principal amount of the outstanding Notes shall have made a written request to the Trustee to pursue such remedy;

(c) such Holder or Holders offer the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(e) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

The limitations in the foregoing provisions of this Section 6.06, however, do not apply to a suit instituted by a Holder for the enforcement of the payment of the principal of, premium, if any, or interest, if any, on such Note on or after the respective due dates expressed in such Note.

A Holder may not use this Indenture to prejudice the rights of any other Holder or to obtain a preference or priority over another Holder.

Section 6.07. *Unconditional Right of Holders to Receive Payment.* Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of, premium, if any, and interest, if any, on the Notes held by such Holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

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Section 6.08. *Collection Suit by Trustee.* Arch Coal covenants that if default is made in the payment of:

(a) any installment of interest on any Note when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) the principal of (or premium, if any, on) any Note at the Maturity thereof, Arch Coal shall, upon demand of the Trustee, pay to the Trustee for the benefit of the Holders of such Notes, the whole amount then due and payable on such Notes for principal (and premium, if any), and interest, and interest on any overdue principal (and premium, if any) and, to the extent that payment of such interest shall be legally enforceable, upon any overdue installment of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the amounts provided for in Section 7.07 and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

(c) If Arch Coal fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against Arch Coal or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of Arch Coal or any other obligor upon the Notes, wherever situated.

Section 6.09. *Trustee May File Proofs of Claim.* The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 or otherwise under this Indenture) and the Holders allowed in any judicial proceedings relative to Arch Coal or any Guarantor, their creditors or their property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders at their direction in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

Nothing herein contained shall be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. *Application of Money Collected.* Subject to the Security Documents, any money collected by the Trustee pursuant to this Article 6 or otherwise on behalf of the Holders or the Trustee pursuant to this Article 6 or any foreclosure or other remedial provisions contained in the Security Documents, or through any proceeding or any arrangement or restructuring in anticipation or in lieu of any proceeding contemplated by this Article 6 or any foreclosure or other remedial provisions contained in the Security Documents, shall be applied, subject to applicable law, in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- (a) *First:* until the Discharge of First Lien Obligations, to the agent or the agents for the First Lien Obligations for application to the First Lien Obligations to be applied in the manner set forth in the Amended and Restated Credit Agreement and other agreements governing the First Lien Obligations;
- (b) *Second:* to the payment of all costs and expenses incurred by the Trustee and Collateral Agent in connection with the collection of proceeds from the sale of any Collateral or otherwise in connection with this Indenture and any documents relating to any Pari Passu Secured Debt and the Security Documents (including all existing claims for indemnification under this Indenture) including all court costs and the reasonable fees and expenses of their agents and legal counsel, the repayment of all advances made by the Trustee or Collateral Agent on behalf of Arch Coal or any Guarantor and any other costs or expenses incurred in connection with the exercise of any right or remedy of the holders of the Notes and the Pari Passu Secured Debt;
- (c) *Third:* to pay the Notes, any accrued and unpaid interest thereon, and any other amounts due under this Indenture, and the Pari Passu Secured Debt, pro rata, based on the respective amounts of the Notes and the Pari Passu Secured Debt then outstanding; and
- (d) *Fourth:* to the extent of the balance of such proceeds after application in accordance with clauses (a), (b) and (c) above of this Section 6.10, to Arch Coal or such Guarantor, as applicable, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. At least 15 days before such record date, Arch Coal shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 6.11. *Undertaking for Costs.* A court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in the suit of an undertaking to pay the costs of such suit, and such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any

party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by Holders of more than 10% in aggregate principal amount of the outstanding Notes or to any suit by any Holder pursuant to Section 6.07.

Section 6.12. *Restoration of Rights and Remedies.* If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, Arch Coal, any Guarantor, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 6.13. *Rights and Remedies Cumulative.* Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.14. *Delay or Omission Not Waiver.* No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 6.15. *Record Date.* Arch Coal may set a record date for purposes of determining the identity of Holders entitled to vote or to consent to any action by vote or consent authorized or permitted by Sections 6.04, 6.05 and 11.04. Unless this Indenture provides otherwise, such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 2.05 prior to such solicitation.

Section 6.16. *Waiver of Stay or Extension Laws.* Arch Coal covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and Arch Coal (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

Section 7.01. *Duties of Trustee.* The duties and responsibilities of the Trustee are as provided by the Trust Indenture Act and as set forth herein. Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to this Article. (a) If an Event of Default has occurred and is continuing of which a Trust Officer of the Trustee has actual knowledge, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs;

(b) except during the continuance of an Event of Default of which a Trust Officer of the Trustee has actual knowledge: (1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no others and no implied covenants or obligations shall be read into this Indenture against the Trustee; and (2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. In the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine same to determine whether they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein);

(c) the Trustee shall not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05;

(d) the Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with Arch Coal or any Guarantor. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law;

(e) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties

hereunder or in the exercise of any of its rights or powers, if it shall have grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it; and

(f) whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.01 and to the provisions of the Trust Indenture Act.

Section 7.02. *Certain Rights of Trustee.* (a) Subject to Trust Indenture Act Sections 315(a) through (d) and subject to Section 7.01:

(1) the Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper person and the Trustee need not investigate any fact or matter stated in any such document;

(2) before the Trustee acts or refrains from acting, except in connection with the original issuance of the Notes on the date hereof, it may require an Officers' Certificate or an Opinion of Counsel or both, which shall conform to Section 14.04. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion;

(3) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(4) the Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder;

(5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction;

(6) unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer will be sufficient if signed by an Officer of the Company. The Trustee shall have no duty to inquire as to the performance of, or otherwise monitor compliance with, the Company's or any Guarantor's covenants herein;

(7) the Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers, provided that the Trustee's conduct does not constitute negligence or bad faith;

(8) in no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(9) delivery of any reports, information, notices and documents to the Trustee pursuant to Sections 4.05 or 4.16 of this Indenture is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates);

(10) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder (including as Collateral Agent);

(11) the Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(12) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(13) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its

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discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of Arch Coal personally or by agent or attorney;

(14) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder (including as Collateral Agent), and each agent, custodian and other Person employed to act hereunder; and the permissive right of the Trustee to take any action under this Indenture or under any other agreement in connection herewith shall not be construed as a duty;

(15) Arch Coal and each Guarantor shall pay on demand to the Trustee any and all costs, fees and expenses (including without limitation, reasonable legal fees of counsel) incurred by the Trustee in enforcing any rights under any Guarantee;

(16) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture;

(17) the permissive right of the Trustee to take any action under this Indenture or under any other agreement in connection herewith shall not be construed as a duty;

(18) unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from Arch Coal shall be sufficient if signed by an Officer of Arch Coal; and

(19) the trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(b) The Trustee may, but shall not be obligated to, request that Arch Coal deliver an Officers' Certificate setting forth the names of the individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

Section 7.03. *Individual Rights of Trustee.* The Trustee, any Paying Agent, any Registrar or any other agent of Arch Coal or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with Arch Coal with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent. However, the Trustee is subject to Trust Indenture Act

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Sections 310(b) and 311. For purposes of Trust Indenture Act Sections 311(b)(4) and (6):

(a) "**cash transaction**" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and

(b) "**self-liquidating paper**" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

Section 7.04. *Trustee's Disclaimer.* The recitals contained herein and in the Notes, except for the Trustees certificates of authentication, shall be taken as the statements of Arch Coal, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Notes and perform its obligations hereunder and agrees that the statements made by it in a Statement of Eligibility on Form T-1 supplied to Arch Coal will be true and accurate, subject to the qualifications set forth therein. The Trustee shall not be accountable for the use or application by Arch Coal of Notes or the proceeds thereof. It shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and

it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the issuance or sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. *Notice of Defaults.* If any Default or any Event of Default occurs and is continuing and if such Default or Event of Default is known to the Trustee, the Trustee shall mail to each Holder notice of the Default or Event of Default within 90 days of its occurrence, unless such Default or Event of Default has been cured; provided, however, that, except in the case of a default in the payment of the principal of, premium, if any, or interest on any Note, the Trustee shall be protected in withholding such notice if and so long as a committee of its Trust Officers in good faith determine that the withholding of such notice is in the interest of the Holders.

The Trustee shall not be deemed to have knowledge of a Default unless a Trust Officer has actual knowledge of such Default or written notice of such Default has been received by the Trustee at the Corporate Trust Office, and such notice references the Notes and this Indenture.

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Notice to Holders under this Section will be given in the manner and to the extent provided in Trust Indenture Act Section 313(c).

Section 7.06. *Reserved.*

Section 7.07. *Compensation and Indemnity.* Arch Coal, failing which each Guarantor, shall pay to the Trustee such compensation as shall be agreed in writing for its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. Arch Coal, failing which each Guarantor, shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and out-of-pocket expenses of the Trustee's agents and counsel.

Arch Coal, failing which each Guarantor, shall indemnify the Trustee (in any of its capacities in connection with any of the transactions contemplated hereby, including, without limitation, under this Indenture) and its officers, directors, employees and agents for, and hold it and them harmless from and against any and all loss, liability or expense (including attorneys' fees and expenses) incurred by it or any of them without willful misconduct, negligence or bad faith on its part arising out of or in connection with the administration of this trust and the performance of its duties hereunder (including the costs and expenses of enforcing this Indenture including this Section 7.07 and of defending itself against any claim, whether asserted by Arch Coal, the Guarantors, any Holder or any other Person). The Trustee shall notify Arch Coal promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify Arch Coal shall not relieve Arch Coal or the Guarantors of their obligations hereunder. Arch Coal shall defend the claim and the Trustee shall cooperate in such defense. The Trustee may have separate counsel and Arch Coal shall pay the fees and expenses of such counsel. Arch Coal need not pay for any settlement made without its consent, which consent may not be unreasonably withheld. Arch Coal shall not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

To secure Arch Coal's and each of the Guarantor's payment obligations in this Section 7.07, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, hereunder, in its capacity as Trustee, except money or property held in trust to pay principal of, premium, if any, and interest on particular Notes.

When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(a)(8) or (9) with respect to Arch Coal, the Guarantors, or any Restricted Subsidiary, the expenses are intended to constitute expenses of administration under Bankruptcy Law.

Arch Coal's and each of the Guarantor's obligations under this Section 7.07, including the Lien and claim of the Trustee, and any claim arising hereunder shall survive the resignation or removal of any Trustee, the satisfaction and discharge of Arch Coal's

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or Guarantor's obligations pursuant to Article Eight and any rejection or termination under any Bankruptcy Law, and the termination of this Indenture for any reason, and shall apply with equal force and effect to the Trustee in each of its capacities hereunder and each agent, custodian and other Person employed to act hereunder.

"Trustee" for purposes of this Section 7.07 shall include any predecessor Trustee; provided, however, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

Section 7.08. *Replacement of Trustee.* A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign at any time by so notifying Arch Coal. The Holders of a majority in outstanding principal amount of the outstanding Notes may remove the Trustee by so notifying the Trustee and Arch Coal. Arch Coal shall remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 or in the circumstances described in Trust Indenture Act Section 310(b) pursuant to which any Holder that satisfies the requirements of Trust Indenture Act Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee;

(b) the Trustee is adjudged bankrupt or insolvent;

(c) a receiver or other public officer takes charge of the Trustee or its property; or

(d) the Trustee otherwise becomes incapable of acting.

The Trustee agrees to give the notices provided for in, and otherwise comply with, Trust Indenture Act Section 310(b).

If the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, Arch Coal shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by Arch Coal. If the successor Trustee does not deliver its written acceptance required by the next succeeding paragraph of this Section 7.08 within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, Arch Coal or the Holders of a majority in principal amount of the outstanding Notes may, at the expense of Arch Coal, petition any court of competent jurisdiction for the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to Arch Coal. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice

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of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, Arch Coal or the Holders of at least 25% in outstanding principal amount of the Notes may, at Arch Coal's expense, petition any court of competent jurisdiction for the appointment of a successor Trustee at the expense of Arch Coal.

If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided that all sums owing to the retiring Trustee hereunder have been paid and subject to the lien provided for in Section 7.07. Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, Arch Coal's and the Guarantors' obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. *Successor Trustee by Merger.* Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article Seven, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes. In case at that time any of the Notes shall not have been authenticated, any successor Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor Trustee. In all such cases such certificates shall have the full force and effect which this Indenture provides for the certificate of authentication of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 7.10. *Eligibility; Disqualification.* This Indenture shall have a Trustee that satisfies the requirements of Trust Indenture Act Section 310(a). The Trustee shall have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition. No obligor upon the Notes or Person directly controlling, controlled by, or under common control with such obligor shall serve as trustee upon the Notes.

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Section 7.11. *Appointment of Co-Trustee.* (a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an individual or institution as a separate or co-trustee. The following provisions of this Section 7.11 are adopted to these ends.

(b) In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and Lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and only to the extent that the Trustee by the laws of any jurisdiction is incapable of exercising such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

(c) Should any instrument in writing from Arch Coal be required by the separate or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by Arch Coal; provided, however, that if an Event of Default shall have occurred and be continuing, if Arch Coal does not execute any such instrument within 15 days after request therefor, the Trustees shall be empowered as an attorney-in-fact for Arch Coal to execute any such instrument in Arch Coal's name and stead. In case any separate or co-trustee or a successor to either shall die, become incapable or acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate or co-trustee.

(d) Each separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(1) all rights and powers, conferred or imposed upon the Trustee shall be conferred or imposed upon and may be exercised or performed by such separate trustee or co-trustee; and

(e) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article Seven.

(f) Any separate trustee or co-trustee may at any time appoint the Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successors trustee.

Section 7.12. *Limitation on Duty of Trustee and Collateral Agent in Respect of Collateral; Indemnification.* (a) Beyond the exercise of reasonable care in the custody thereof, neither the Trustee nor the Collateral Agent shall have any duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and neither the Trustee nor the Collateral Agent shall be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise creating or maintaining any Lien on the Collateral, or perfecting or maintaining the perfection of any security interest in the Collateral. The Trustee and the Collateral Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in their possession if the Collateral is accorded treatment substantially equal to that which the Trustee or the Collateral Agent, as the case may be, accords its own property and shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Trustee or the Collateral Agent in good faith.

(b) The Trustee and the Collateral Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on their part hereunder, except to the extent such action or omission constitutes gross negligence, bad faith or willful misconduct on the part of the Trustee or the Collateral Agent, as the case may be, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of Arch Coal, any Guarantor or any other party to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Trustee and the Collateral Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Indenture, the New Intercreditor Agreement, the Existing Intercreditor Agreement, the Security Documents or the First Lien Documents by Arch Coal, the Guarantors or the First Lien Secured Parties.

Section 7.13. *Reports by Trustee to Holders.* Within 60 days after each May 15, beginning with May 15, 2016, the Trustee will mail to each Holder, as provided in

Trust Indenture Act Section 313(c), a brief report dated as of such May 15, if required by Trust Indenture Act Section 313(a), and file such reports with each stock exchange upon which its Notes are listed and with the Commission as required by Trust Indenture Act Section 313(d).

Article 8 DEFEASANCE; SATISFACTION AND DISCHARGE

Section 8.01. *Arch Coal's Option to Effect Defeasance or Covenant Defeasance.* Arch Coal may, at its option by a resolution of its Board of Directors, at any time, with respect to the Notes and this Indenture and all obligations of the Guarantors with respect to their Note Guarantees, elect to have either Section 8.02 or 8.03 be applied to outstanding Notes upon compliance with the conditions set forth below this Article Eight.

Section 8.02. *Defeasance and Discharge.* Upon Arch Coal's exercise under Section 8.01 of the option applicable to this Section 8.02, Arch Coal shall be deemed to have been discharged from its obligations with respect to the Notes and this Indenture on the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Legal Defeasance"). For this purpose, such Legal Defeasance means that Arch Coal shall be deemed to have paid and discharged the entire indebtedness represented by the Notes and to have satisfied all its other obligations under the Notes and this Indenture (and the Trustee, at the expense of Arch Coal, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Notes to receive, solely from the trust fund described in Section 8.08 and as more fully set forth in such Section, payments in respect of the principal of (and premium, if any, on) and interest on such Notes when such payments are due, (b) the provisions set forth in Section 8.06 below and (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder. Subject to compliance with this Article Eight, Arch Coal may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 below with respect to the Notes. If Arch Coal exercises its Legal Defeasance option, payment of the Notes may not be accelerated because of an Event of Default.

Section 8.03. *Covenant Defeasance.* Upon Arch Coal's exercise under Section 8.01 of the option applicable to this Section 8.03, Arch Coal shall be released from its obligations under any covenant contained in Sections 4.04 through 4.14, 4.16 (and thereafter any omission to comply with these covenants will not constitute a Default or Event of Default with respect to the Notes), 5.01(b)(3) and 6.01(a)(6), (7), (8) and (9) (only with respect to Significant Subsidiaries) with respect to the Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that, Arch Coal may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not

constitute a Default or an Event of Default, but except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

Section 8.04. *Conditions to Defeasance.* The Legal Defeasance option or the Covenant Defeasance option may be exercised only if:

- (a) Arch Coal irrevocably deposits in trust with the Trustee money or U.S. Government Obligations, or a combination thereof, for the payment of principal of, premium, if any, and interest on the Notes to maturity or redemption, as the case may be;
- (b) Arch Coal delivers to the Trustee a certificate from a nationally recognized firm of independent certified public accountants expressing their opinion that the payments of principal, premium, if any, and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the Notes to be defeased to maturity or redemption, as the case may be;
- (c) 91 days pass after the deposit is made, and during the 91-day period, no Default described in Section 6.01(a)(8) and (9) occurs with respect to Arch Coal or any other Person making such deposit which is continuing at the end of the period;
- (d) no Default or Event of Default (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Debt and, in each case, the granting of Liens in connection therewith) has occurred and is continuing on the date of such deposit and after giving effect thereto;
- (e) such deposit does not constitute a default under any other material agreement or instrument binding on Arch Coal or any of its Restricted Subsidiaries;
- (f) in the case of the Legal Defeasance option, Arch Coal delivers to the Trustee an Opinion of Counsel stating that:
 - (1) Arch Coal has received from the Internal Revenue Service a ruling, or
 - (2) since the date of this Indenture there has been a change in the applicable U.S. federal income tax law, to the effect that, and based thereon such Opinion of Counsel shall confirm that, the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance has not occurred;
- (g) in the case of the Covenant Defeasance option, Arch Coal delivers to the Trustee:

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- (1) an Opinion of Counsel to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and
- (2) an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes have been complied with as required by this Article Eight.

Section 8.05. *Satisfaction and Discharge of Indenture.* This Indenture shall be discharged and shall cease to be of further effect as to all Notes issued thereunder, when

- (1) either:
 - (A) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to Arch Coal) have been delivered to the Trustee for cancellation; or
 - (B) all Notes that have not been delivered to the Trustee for cancellation are to be called for redemption within one year and an irrevocable notice of redemption with respect thereto has been deposited with the Trustee or will become due and payable within one year and Arch Coal or a Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;
- (2) no Default or Event of Default will have occurred and be continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which Arch Coal or any Guarantor is a party or by which Arch Coal or any Guarantor is bound;
- (3) Arch Coal or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and
- (4) Arch Coal has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

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In addition, Arch Coal must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Section 8.06. *Survival of Certain Obligations.* Notwithstanding Sections 8.01 and 8.05, any obligations of Arch Coal and the Guarantors in Sections 2.02 through 2.12, 6.07, 7.07, 7.08, and 8.07 through 8.09 shall survive until the Notes have been paid in full. Thereafter, any obligations of Arch Coal and the Guarantors in Sections 7.07, 8.07 and 8.08 shall survive such satisfaction and discharge. Nothing contained in this Article Eight shall abrogate any of the obligations or duties of the Trustee under this Indenture.

Section 8.07. *Acknowledgment of Discharge by Trustee.* Subject to Section 8.09, after the conditions of Section 8.01 or 8.04 have been satisfied, the Trustee upon written request shall acknowledge in writing the discharge of all of Arch Coal's obligations under this Indenture except for those surviving obligations specified in this Article Eight.

Section 8.08. *Application of Trust Money.* Subject to Section 8.09, the Trustee shall hold in trust cash in U.S. Dollars or U.S. Government Obligations deposited with it pursuant to this Article Eight and all payments received with respect to such U.S. Government Obligations. It shall apply the deposited cash in U.S. Dollars or U.S. Government Obligations and the payments received with respect to such U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of, premium, if any, interest, on the Notes; but such money need not be segregated from other funds except to the extent required by law.

Section 8.09. *Repayment to Arch Coal.* Subject to Sections 7.07, and 8.01 through 8.06, the Trustee and the Paying Agent shall promptly pay to Arch Coal upon request set forth in an Officers' Certificate any excess money held by them at any time and thereupon shall be relieved from all liability with respect to such money. The Trustee and the Paying Agent shall pay to Arch Coal upon request any money held by them for the payment of principal, premium, if any, or interest, if any, that remains unclaimed for two years; provided that the Trustee or Paying Agent before being required to make any such payment may cause to be published (a) in The Wall Street Journal or another leading newspaper in New York, New York, (b) through the newswire service of Bloomberg or, if Bloomberg does not then operate, any similar agency or mail to each Holder entitled to such money at such Holder's address (as set forth in the Security Register) notice that such money remains unclaimed and that after a date specified therein (which shall be at least 30 days from the date of such publication or mailing) any unclaimed balance of such money then remaining will be repaid to Arch Coal. After payment to Arch Coal, Holders entitled to such money must look to Arch Coal for payment as general creditors unless an applicable law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

Section 8.10. *Indemnity for Government Securities.* Arch Coal shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed

against deposited U.S. Government Obligations or the principal, premium, if any, interest, if any, received on such U.S. Government Obligations.

Section 8.11. *Reinstatement.* If the Trustee or Paying Agent is unable to apply cash in U.S. Dollars or U.S. Government Obligations in accordance with this Article Eight by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, Arch Coal's and the Guarantors' obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article Eight until such time as the Trustee or any such Paying Agent is permitted to apply all such U.S. Government Obligations in accordance with this Article Eight; provided, however, that, if Arch Coal has made any payment of principal of, premium, if any, and interest, if any, on any Notes because of the reinstatement of its obligations, Arch Coal shall be subrogated to the rights of the Holders of such Notes to receive such payment from the cash in U.S. Dollars or U.S. Government Obligations held by the Trustee or Paying Agent.

Article 9 AMENDMENTS AND WAIVERS

Section 9.01. Without Consent of Holders. Arch Coal, when authorized by a resolution of the Board of Directors (as evidenced by the delivery of such resolution to the Trustee), any Guarantor and the Trustee may modify, amend or supplement this Indenture, the Notes or the Security Documents without notice to or consent of any Holder to:

- (a) cure any ambiguity, omission, defect or inconsistency in any manner that is not adverse in any material respect to any Holder of the Notes;
- (b) provide for the assumption by a Surviving Person of the obligations of Arch Coal under this Indenture;
- (c) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);
- (d) add Note Guarantees with respect to the Notes or confirm and evidence the release, termination or discharge of any security or Note Guarantee when such release, termination or discharge is permitted by this Indenture;
- (e) add to the covenants of Arch Coal and the Restricted Subsidiaries for the benefit of the Holders of the Notes or surrender any right or power conferred upon Arch Coal;
- (f) make any change that does not adversely affect the rights of any Holder of the Notes;

- (g) provide for the issuance of Additional Notes in accordance with this Indenture;
- (h) to evidence and provide for the acceptance of appointment by a successor Trustee;
- (i) to add to the Collateral securing the Notes;

(j) to provide for the release of Collateral from the Lien of this Indenture and the Security Documents when permitted or required by the Security Documents or this Indenture;

(k) to secure any Debt that is permitted to be Incurred in accordance with this Indenture under the Security Documents and to appropriately include the same in the New Intercreditor Agreement and the Existing Intercreditor Agreement;

(l) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for the benefit of the Trustee on behalf of the holders of the Notes, as additional security for the payment and performance of all or any portion of the 1.5 Priority Liens, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Collateral Agent pursuant to this Indenture, any of the Security Documents or otherwise;

(m) to conform the text of this Indenture or the Notes to any provision of the "Description of New 2022 Secured Notes" section of Arch Coal's Confidential Offering Memorandum for the Exchange Offer dated as of July 2, 2015 relating to the Notes to the extent that such provision in such "Description of New 2022 Secured Notes" was intended to be a recitation of a provision of this Indenture or the Notes; or

(n) to make any amendment to the provisions of this Indenture relating to the transfer and legending of the Notes as permitted by this Indenture, including, without limitation to facilitate the issuance and administration of the Notes; provided, however, that (1) compliance with this Indenture as so amended would not result in the Notes being transferred in violation of the Securities Act or any applicable securities law and (2) such amendment does not materially and adversely affect the rights of Holders to transfer the Notes.

Section 9.02. *With Consent of Holders.* (a) Except as provided in Section 9.02(b) below and Section 6.04 and without prejudice to Section 9.01, Arch Coal and the Trustee may:

- (1) amend this Indenture or the Notes; or
- (2) waive any past default or compliance by Arch Coal or the Guarantors with any provision of this Indenture or the Notes;

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with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding including consents obtained in connection with a tender offer or in exchange for the Notes.

(b) Without the consent of each Holder affected thereby, no amendment, modification, supplement or waiver, including a waiver pursuant to Section 6.04 and an amendment, modification or supplement pursuant to Section 9.01, may:

- (1) reduce the amount of Notes whose Holders must consent to an amendment or waiver;
- (2) reduce the rate of, or extend the time for payment of, interest on any Note;
- (3) reduce the principal of, or extend the Stated Maturity of, any Note;
- (4) make any Note payable in money other than that stated in the Note;
- (5) impair the right of any Holder of the Notes to receive payment of principal of, premium, if any, and interest, on, such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;
- (6) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed (other than any notice provisions), pursuant to Section 3.01 of this Indenture;
- (7) reduce the premium payable upon a Change of Control or, at any time after a Change of Control has occurred, change the time at which the Change of Control Offer relating thereto must be made or at which the Notes must be repurchased pursuant to such Change of Control Offer;
- (8) at any time after Arch Coal is obligated to make a Prepayment Offer with the Excess Proceeds from Asset Sales, change the time at which such Prepayment Offer must be made or at which the Notes must be repurchased pursuant thereto;
- (9) modify or change any provision of this Indenture affecting the ranking of the Notes or the Note Guarantees in a manner adverse to the Holders of the Notes; or
- (10) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture other than in accordance with the provisions of this Indenture, or amend or modify any provision relating to such release.

Without the consent of at least 662/3% in aggregate principal amount of the Notes and Pari Passu Secured Debt then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, such Notes), voting as one class,

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no waiver of or amendment to (1) this Indenture or any Security Document may make any change that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes other than in accordance with this Indenture and the Security Documents or (2) the New Intercreditor Agreement the Existing Intercreditor Agreement in any manner adverse in any material respect to the Holders of the Notes.

The consent of the Holders of the Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment becomes effective, Arch Coal shall mail, or arrange to be mailed, to each registered Holder of the Notes at such Holder's address appearing in the Security Register a notice briefly describing such amendment. However, the failure to give such notice to all Holders of the Notes, or any defect therein, will not impair or affect the validity of the amendment.

Section 9.03. *Effect of Supplemental Indentures; Revocation and Effect of Consents.* (a) Upon the execution of any supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(b) Until an amendment, supplement or waiver under this Article Nine becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

(c) Arch Coal may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then, notwithstanding the second sentence of paragraph (b) above, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent to such amendment, supplement or waiver or to revoke any consent previously given whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.04. *Notation on or Exchange of Notes.* If an amendment, modification or supplement changes the terms of a Note, Arch Coal or Trustee may require the Holder to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note and on any Note subsequently authenticated regarding the changed terms and return it to the Holder. Alternatively, if Arch Coal so determines, Arch Coal in exchange for the Note shall issue and the Trustee shall authenticate a new Note that

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reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment, modification or supplement.

Section 9.05. *Notice of Amendment or Waiver.* Promptly after the execution by Arch Coal and the Trustee of any supplemental indenture or waiver pursuant to the provisions of Section 9.02, Arch Coal shall give notice thereof to the Holders of each outstanding Note affected, in the manner provided for in Section 14.01(b), setting forth in general terms the substance of such supplemental indenture or waiver. However, the failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of the supplemental indenture or waiver.

Section 9.06. *Trustee to Sign Supplemental Indentures.* In executing any supplemental indenture, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive and shall be fully protected in relying upon, in addition to the documents required by Section 14.03, an Officers' Certificate and an Opinion of Counsel stating that such supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent to the execution, delivery and performance of such supplemental indenture have been satisfied.

The Trustee shall sign all supplemental indentures that comply with the requirements of this Indenture, except that the Trustee may, but need not, sign any supplemental indenture that adversely affects its rights.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the Trust Indenture Act.

Article 10 GUARANTEE

Section 10.01. *Note Guarantee.* (a) Each Guarantor hereby fully and unconditionally guarantees, on a senior, secured joint and several basis with each other Note Guarantee, to each Holder and to the Trustee and its successors and assigns on behalf of each Holder, the full payment of principal of, premium, if any, interest, if any, and all other monetary obligations of Arch Coal under this Indenture and the Notes (including obligations to the Trustee) with respect to each Note authenticated and delivered by the Trustee or its agent pursuant to and in accordance with this Indenture, in accordance with the terms of this Indenture (all the foregoing being hereinafter collectively called the "Guarantor Obligations"). Each Guarantor further agrees that the Guarantor Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Guarantor and that such Guarantor will remain bound under this Article Ten notwithstanding any extension or renewal of any Obligation. All payments under such Guarantee will be made in U.S. Dollars.

(b) Each Guarantor hereby agrees that its obligations hereunder shall be as if they were the principal debtor and not merely surety, unaffected by, and irrespective of, any validity, irregularity or unenforceability of any Note or this Indenture, any failure to enforce the provisions of any Note or this Indenture, any waiver, modification or

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indulgence granted to Arch Coal with respect thereto by the Holders or the Trustee, or any other circumstance which may otherwise constitute a legal or equitable discharge of a surety or guarantor (except payment in full); provided, however, that, notwithstanding the foregoing, no such waiver, modification, indulgence or circumstance shall without the written consent of the Guarantor increase the principal amount of a Note or the interest rate thereon or change the currency of payment with respect to any Note, or alter the Stated Maturity thereof. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of Arch Coal, any right to require that the Trustee pursue or exhaust its legal or equitable remedies against Arch Coal prior to exercising its rights under the Guarantee (including, for the avoidance of doubt, any right which the Guarantor may have to require the seizure and sale of the assets of Arch Coal to satisfy the outstanding principal of, interest on or any other amount payable under each

Note prior to recourse against the Guarantor or its assets), protest or notice with respect to any Note or the Debt evidenced thereby and all demands whatsoever, and covenants that the Guarantee will not be discharged with respect to any Note except by payment in full of the principal thereof and interest thereon or as otherwise provided in this Indenture, including Section 10.03. If at any time any payment of principal of, premium, if any, and interest, if any, on such Note is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Arch Coal, the Guarantor's obligations hereunder with respect to such payment shall be reinstated as of the date of such rescission, restoration or returns as though such payment had become due but had not been made at such times.

(c) The Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section 10.01.

Section 10.02. *Subrogation.* (a) The Guarantor shall be subrogated to all rights of the Holders against Arch Coal in respect of any amounts paid to such Holders by the Guarantor pursuant to the provisions of its Guarantee.

(b) The Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Guarantor Obligations guaranteed hereby until payment in full of all Guarantor Obligations. The Guarantor further agrees that, as between themselves, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Guarantor Obligations guaranteed hereby may be accelerated as provided in Section 6.02 for the purposes of their Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guarantor Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Section 6.02, such Guarantor Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purposes of this Section 10.02 subject to Section 10.01(b) above.

Section 10.03. *Release of Guarantors.* The Guarantee of any Guarantor will be automatically and unconditionally released and discharged upon any of the following:

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(a) in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of the Capital Stock of any Guarantor, after which the applicable Guarantor is no longer a Restricted Subsidiary, such Guarantor will be released and relieved of any obligations under its Guarantee; provided that the Net Available Cash from such sale or other disposition is applied in accordance with the applicable provisions of Section 4.09 of this Indenture;

(b) upon the release or discharge of the Guarantee of the Amended and Restated Credit Agreement or the Guarantee of a Guarantor that resulted in the creation of the Note Guarantee of such Guarantor, except a discharge or release by or as a result of payment under such other Guarantee pursuant to Section 4.12, such Guarantor will be released and relieved of any obligations under its Note Guarantee;

(c) upon the designation of any Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Indenture, such Guarantor will be released and relieved of any obligations under its Note Guarantee; and

(d) upon Legal Defeasance or satisfaction and discharge of this Indenture as provided in Article Eight; and in each such case, prior to release and discharge or such Note Guarantee, Arch Coal will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to such transactions have been complied with and that such release is authorized and permitted hereunder.

The Trustee shall, upon receipt of each of the items described in Section 10.03(d) of this Indenture, execute any documents reasonably requested by either Arch Coal or a Guarantor in order to evidence the release of such Guarantor from its obligations under its Guarantee under this Article Ten.

Section 10.04. *Additional Guarantors.* Arch Coal covenants and agrees that it shall cause any Person which becomes obligated to Guarantee the Notes, pursuant to the terms of Section 4.12, to execute a supplemental indenture and any other documentation requested by the Trustee satisfactory in form and substance to the Trustee in accordance with Section 4.12 pursuant to which such Restricted Subsidiary shall Guarantee the obligations of Arch Coal under the Notes and this Indenture in accordance with this Article Ten with the same effect and to the same extent as if such Person had been named herein as a Guarantor.

Section 10.05. *Limitation of Guarantee.* The Guarantee is limited in an amount not to exceed the maximum amount that can be guaranteed by the Guarantor without rendering such Guarantee, as it relates to the Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer of similar laws affecting the rights of the creditors generally.

Section 10.06. *Notation Not Required.* Neither Arch Coal nor the Guarantors shall be required to make a notation on the Notes to reflect any Guarantee or any release, termination or discharge thereof.

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Section 10.07. *Successors and Assigns.* This Article Ten shall be binding upon the Guarantor and each of their successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assigns, all subject to the terms and conditions of this Indenture.

Section 10.08. *No Waiver.* Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article Ten shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and are not exclusive of any other rights, remedies or benefits which either may have under this Article Ten at law, in equity, by statute or otherwise.

Section 10.09. *Modification.* No modification, amendment or waiver of any provision of this Article Ten, nor the consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be

effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

Section 10.10. *Benefits Acknowledged.* Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the guarantee and waivers made by it pursuant to its Note Guarantee are knowingly made in contemplation of such benefits.

Section 10.11. *Release of Security Interests.* Without limiting the generality of the foregoing and except as otherwise provided in this Indenture, each Guarantor hereby consents and agrees, to the fullest extent permitted by applicable law, that the rights of the Trustee hereunder, and the liability of the Guarantors hereunder, shall not be affected by any and all releases for any purpose of any Collateral, if any, from the Liens and security interests created by any Security Documents and that this Note Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guarantor Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of an Issuer or otherwise, all as though such payment had not been made.

Article 11 INTERCREDITOR AGREEMENT

Section 11.01. *Intercreditor Agreement.* Each Holder by accepting a Note agrees that the 1.5 Priority Liens are subject to the terms of the New Intercreditor Agreement and the Existing Intercreditor Agreement. The Holders by accepting a Note hereby authorize and direct the Trustee and the Collateral Agent to enter into the New

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Intercreditor Agreement and to join the Existing Intercreditor Agreement on behalf of the Holders and agree that the Holders shall comply with the provisions of the New Intercreditor Agreement and the Existing Intercreditor Agreement applicable to them in their capacities as such to the same extent as if the Holders were parties thereto.

Additionally, provided that no Event of Default has occurred and is continuing, the Trustee shall, upon written request of Arch Coal enter into and direct the Collateral Agent to enter into amendments to the New Intercreditor Agreement and the Existing Intercreditor Agreement or an additional intercreditor agreement with the agent for the holders of any First Lien Obligations on terms and conditions that, in the good faith determination of Arch Coal, are not less favorable, taken as a whole, to the Holders of Notes than the terms of the New Intercreditor Agreement and the Existing Intercreditor Agreement and thereafter such amended or new intercreditor agreement shall be deemed to be the New Intercreditor Agreement and the Existing Intercreditor Agreement for all purposes of this Indenture.

Article 12 COLLATERAL

Section 12.01. *Security Documents.* The Notes and the Note Guarantees are secured as provided in the Security Documents executed on the Issue Date and will be secured by Security Documents hereafter delivered as required or permitted by this Indenture. Arch Coal shall, and shall cause each Guarantor to, and each Guarantor shall, make all filings (including filings of continuation statements and amendments to UCC financing statements that may be necessary to continue the effectiveness of such UCC financing statements) necessary to maintain (at the sole cost and expense of Arch Coal and the Guarantors) the security interest created by the Security Documents in the Collateral as a perfected security interest to the extent perfection is required by the Security Documents, subject only to Permitted Liens, subject to Section 12.07 of this Indenture.

Section 12.02. *Collateral Agent.* The Collateral Agent shall have all the rights and protections provided in the Security Documents and, additionally, shall have all the rights and protections provided to the "Trustee" under Article 7 in this Indenture.

Subject to Section 7.01, none of the Collateral Agent, Trustee, Paying Agent, Registrar or Transfer Agent nor any of their respective officers, directors, employees, attorneys or agents shall be responsible or liable for the existence, genuineness, value or protection of any Collateral, for the legality, enforceability, effectiveness or sufficiency of the Security Documents, for the creation, perfection, priority, sufficiency or protection of any Liens, or any defect or deficiency as to any such matters.

Except as required or permitted by the Security Documents, the Holders, by accepting a Note, acknowledge that the Collateral Agent will not be obligated:

- (a) to act upon directions purported to be delivered to it by any Person, except in accordance with the Security Documents;

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- (b) to foreclose upon or otherwise enforce any 1.5 Priority Lien; or

- (c) to take any other action whatsoever with regard to any or all of the 1.5 Priority Liens, Security Documents or Collateral.

Section 12.03. *Authorization of Actions to Be Taken.* Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of each Security Document, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of this Indenture, authorizes and directs the Collateral Agent and the Trustee, as applicable, to enter into the Security Documents to which it is a party, authorizes and empowers the Collateral Agent and the Trustee, as applicable, to execute and deliver the New Intercreditor Agreement and join the Existing Intercreditor Agreement and authorizes and empowers the Collateral Agent and the Trustee, as applicable, to bind the Holders of Notes as set forth in the Security Documents to which the Collateral Agent or the Trustee is a party and the New Intercreditor Agreement and the Existing Intercreditor Agreement and to perform its obligations and exercise its rights and powers thereunder.

The Trustee is authorized and empowered to receive for the benefit of the Holders of Notes any funds collected or distributed to the Collateral Agent under the Security Documents to which the Trustee is a party and, subject to the terms of the Security Documents, to make further distributions of such funds to the Holders of Notes according to the provisions of this Indenture.

Subject to the provisions of Section 7.01, Section 7.02, and the Security Documents, the Trustee may, in its sole discretion and without the consent of the Holders, direct, on behalf of the Holders, the Collateral Agent to take all actions it deems necessary or appropriate in order to:

- (a) foreclose upon or otherwise enforce any or all of the 1.5 Priority Liens;
- (b) enforce any of the terms of the Security Documents to which the Collateral Agent is a party; or
- (c) collect and receive payment of any and all Obligations.

Subject to the New Intercreditor Agreement and the Existing Intercreditor Agreement and at Arch Coal's sole cost and expense, the Trustee is hereby authorized and empowered by each Holder of Notes (by its acceptance thereof) to institute and maintain, or direct the Collateral Agent to institute and maintain, such suits and proceedings as it may deem reasonably expedient to protect or enforce the 1.5 Priority Liens or the Security Documents to which the Collateral Agent or Trustee is a party or to prevent any impairment of Collateral by any acts that may be unlawful or in violation of the Security Documents or this Indenture, and such suits and proceedings as the Trustee may deem reasonably expedient, at Arch Coal's sole cost and expense, to preserve or protect its interests and the interests of the Holders of Notes in the Collateral, including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such

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enactment, rule or order would impair the 1.5 Priority Liens or be prejudicial to the interests of Holders or the Trustee.

Section 12.04. *Release of Collateral.* Subject to Trust Indenture Act Section 314(d), Collateral may be released from the Lien and security interest created by the Security Documents at any time or from time to time in accordance with the provisions of the Security Documents and the New Intercreditor Agreement and the Existing Intercreditor Agreement. In addition, Arch Coal and the Guarantors will be entitled to the release of assets included in the Collateral from the Liens securing the Notes, and the Trustee shall (or, if the Trustee is not then the Collateral Agent, shall direct the Collateral Agent to) release the same from such Liens at Arch Coal's sole cost and expense, under any one or more of the following circumstances without the need for any further action by any Person:

- (a) in whole, upon a Legal Defeasance or a Covenant Defeasance of the Notes as set forth under Article 8 of this Indenture;
- (b) in whole, upon satisfaction and discharge of this Indenture as set forth under Article 8 of this Indenture;
- (c) in whole, upon payment in full of principal, interest and all other Obligations on the Notes issued under this Indenture;
- (d) in whole or in part, with the consent of the requisite Holders of the Notes in accordance with the provisions of Article 9 hereof, including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, Notes;
- (e) in whole, upon the first date that the Notes have Investment Grade Ratings from both Rating Agencies and no Default or Event of Default has occurred and is continuing under this Indenture; and
- (f) in part, as to any asset constituting Collateral (A) that is sold or otherwise disposed of by Arch Coal or any of the Guarantors in a transaction permitted by Section 4.09 of this Indenture and by the Security Documents (to the extent of the interest sold or disposed of) or otherwise permitted by this Indenture and the Security Documents, if all other Liens on that asset securing the First Lien Obligations and any Pari Passu Secured Debt then secured by that asset (including all commitments thereunder) are released, (B) that is used to make a Restricted Payment or Permitted Investment permitted by this Indenture, (C) that becomes Excluded Collateral, or (D) that is otherwise released in accordance with, and as expressly provided for in accordance with, this Indenture and the Security Documents.

Arch Coal shall deliver an Officers' Certificate to the Collateral Agent within 30 calendar days following the end of each six-month period beginning on each Interest Payment Date, to the effect that all such releases and withdrawals pursuant to this Section 12.04 during the preceding six-month period (or since the Issue Date, in the case of the first such Officers' Certificate) as described in clause (f) of this Section 12.04, were not prohibited by this Indenture.

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Section 12.05. *Powers Exercisable by Receiver or Trustee.* In case the Collateral shall be in the possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article 12 upon Arch Coal or a Guarantor with respect to the release, sale or other disposition of such property may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of Arch Coal or a Guarantor or of any officer or officers thereof required by the provisions of this Article 12; and if the Trustee or the Collateral Agent shall be in the possession of the Collateral under any provision of this Indenture, then such powers may be exercised by the Trustee or the Collateral Agent, as the case may be.

Section 12.06. *Additional Security; Further Assurances.* To the extent the same shall hereafter be delivered pursuant to the First Lien Documents, Arch Coal and the Guarantors will grant to the Collateral Agent, for the benefit of the Holders, security interests and mortgages in such assets and properties of Arch Coal and the Guarantors as are not covered by the Security Documents (collectively, the "Additional Security Documents"). All such security interests and mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to constitute valid and enforceable perfected security interests and mortgages superior to and prior to the rights of all third Persons (except the First Lien Lenders) and shall be subject to no Liens except for Permitted Liens. The Additional Security Documents or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the Liens in favor of the Collateral Agent or the Trustee required to be granted

pursuant to the Additional Security Documents and all taxes, fees and other charges payable in connection therewith shall be paid in full. To the extent the same shall hereafter be delivered pursuant to the First Lien Documents, Arch Coal and the Guarantors will, at the expense of Arch Coal, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent or the Trustee from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, real property surveys, reports and other assurances or instruments and take such further steps relating to the Collateral covered by any of the Security Documents or any Additional Security Documents. Furthermore, Arch Coal shall promptly cause to be delivered to the Collateral Agent and the Trustee, such opinions of counsel, title insurance and other related documents as may be reasonably necessary to evidence to the Collateral Agent and the Trustee that this Section 12.06 has been complied with. To the extent the same shall hereafter be delivered pursuant to the First Lien Documents, Arch Coal and the Guarantors agree that each action required this Section 12.06 shall be completed within a reasonable time, but in no event later than ninety (90) days after such action is required to be taken by Arch Coal or any Guarantor pursuant to the terms of this Section 12.06. Notwithstanding anything to the contrary contained in this Section 12.06, the terms and provisions of this Section 12.06, and all deliverables required pursuant to this Section 12.06, and all security interests and mortgages granted pursuant to this Section 12.06 shall be subject to the terms and provisions of the New Intercreditor Agreement and the Existing Intercreditor Agreement.

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Section 12.07. *Post-Closing Collateral Requirements.* To the extent any security interest securing the Notes is not already perfected as of the Issue Date and cannot be perfected by filing UCC-1 financing statements or delivery of certificates representing Capital Stock or notes representing intercompany debt, Arch Coal shall use commercially reasonable efforts to have all security interests that are required by the Security Documents to be in place perfected as soon as practicable following the Issue Date, but in any event no later than 180 days after the Issue Date, except to the extent any such security interest cannot be perfected with commercially reasonable efforts or to the extent the Security Documents do not require perfection of the security interest.

Section 12.08. *Filing, Recording And Opinions.* (a) The Company will comply with the provisions of Trust Indenture Act Section 314(b) and Section 314(d). Any certificate or opinion required by Trust Indenture Act Section 314(d) may be made by an Officer of the Company except in cases where Trust Indenture Act Section 314(d) requires that such certificate or opinion be made by an independent engineer, appraiser or other expert. Notwithstanding anything to the contrary herein, the Company and the Guarantors will not be required to comply with all or any portion of Trust Indenture Act Section 314(d) if they determine, in good faith based on advice of counsel (which may be internal counsel), that under the terms of that section and/or any interpretation or guidance as to the meaning thereof of the Commission and its staff, including "no action" letters or exemptive orders, all or any portion of Trust Indenture Act Section 314(d) is inapplicable to the released Collateral. To the extent the Company is required to furnish to the Trustee an Opinion of Counsel pursuant to Trust Indenture Act Section 314(b)(2), the Company will furnish such opinion prior to each July 1, and an Opinion of Counsel or a reliance letter relating to the same pursuant to Trust Indenture Act Section 314(b)(1) shall be delivered contemporaneously with the execution of this Indenture.

(b) Any release of Collateral permitted by Section 12.04 of this Indenture or the Security Documents will be deemed not to impair the Liens under this Indenture and the Collateral Agreements in contravention thereof and any person that is required to deliver a certificate or opinion pursuant to Trust Indenture Act Section 314(d) or otherwise, shall be entitled to rely upon the foregoing as a basis for delivery of such certificate or opinion. The Trustee may, to the extent permitted by Section 7.01 and Section 7.02 hereof, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and opinion.

(c) If any Collateral is released in accordance with this Indenture or any Security Document at a time when the Trustee is not itself also the Collateral Agent and if the Company has delivered the certificates and documents required by the Security Documents and required to be delivered by Section 14.03 (if any), the Trustee will determine whether it has received all documentation required by Trust Indenture Act Section 314(d) in connection with such release and, based on such determination and the Opinion of Counsel (upon which the Trustee is entitled to rely) delivered pursuant to Section 14.03, if any, will, upon request, deliver a certificate to the Collateral Agent setting forth such determination.

Article 13 HOLDERS' MEETINGS

Section 13.01. *Purposes of Meetings.* A meeting of the Holders may be called at any time pursuant to this Article Eleven for any of the following purposes:

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(a) to give any notice to Arch Coal or any Guarantor or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any Default hereunder and its consequences, or to take any other action authorized to be taken by Holders pursuant to Article Nine;

(b) to remove the Trustee and appoint a successor trustee pursuant to Article Seven; or

(c) to consent to the execution of an indenture supplement pursuant to Section 9.02.

Section 13.02. *Place of Meetings.* Meetings of Holders may be held at such place or places as the Trustee or, in case of its failure to act, Arch Coal, any Guarantor or the Holders calling the meeting, shall from time to time determine.

Section 13.03. *Call and Notice of Meetings.* (a) The Trustee may at any time (upon not less than 21 days' notice) call a meeting of Holders to be held at such time and at such place in St. Louis, Missouri or in such other city as determined by the Trustee pursuant to Section 13.02. Notice of every meeting of Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed to each Holder in the manner contemplated by Section 14.02(b).

(b) In case at any time Arch Coal, pursuant to a resolution of the Board of Directors, or the Holders of at least 10% in aggregate principal amount at maturity of the Notes then outstanding, shall have requested the Trustee to call a meeting of the Holders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first giving of the notice of such meeting within 20 days after receipt of such request, then Arch Coal or the Holders of Notes in the amount above specified may determine the time (not less than 21 days after notice is given) and

the place in St. Louis, Missouri or in such other city as determined by Arch Coal or the Holders pursuant to Section 13.02 for such meeting and may call such meeting to take any action authorized in Section 13.01 by giving notice thereof as provided in Section 13.01(a).

Section 13.04. *Voting at Meetings.* To be entitled to vote at any meeting of Holders, a Person shall be (1) a Holder at the relevant record date set in accordance with Section 6.15 or (2) a Person appointed by an instrument in writing as proxy for a Holder or Holders by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Person so entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of Arch Coal and any Guarantor and their counsel.

Section 13.05. *Voting Rights, Conduct and Adjournment.* Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders in regard to proof of the holding of Notes and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other

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evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Notes shall be proved in the manner specified in Section 2.03 and the appointment of any proxy shall be proved in such manner as is deemed appropriate by the Trustee or by having the signature of the Person executing the proxy witnessed or guaranteed by any bank, banker or trust company customarily authorized to certify to the holding of a Note such as a Global Note.

(a) At any meeting of Holders, the presence of Persons holding or representing Notes in an aggregate principal amount at Stated Maturity sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Subject to any required aggregate principal amount at Stated Maturity of Notes required for the taking of any action pursuant to Article Nine, in no event shall less than a majority of the votes given by Persons holding or representing Notes at any meeting of Holders be sufficient to approve an action. Any meeting of Holders duly called pursuant to Section 13.03 may be adjourned from time to time by vote of the Holders (or proxies for the Holders) of a majority of the Notes represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice. No action at a meeting of Holders shall be effective unless approved by Persons holding or representing Notes in the aggregate principal amount at Stated Maturity required by the provision of this Indenture pursuant to which such action is being taken.

(b) At any meeting of Holders, each Holder or proxy shall be entitled to one vote for each \$1,000 aggregate principal amount at Stated Maturity of outstanding Notes held or represented.

Section 13.06. *Revocation of Consent by Holders at Meetings.* At any time prior to (but not after) the evidencing to the Trustee of the taking of any action at a meeting of Holders by the Holders of the percentage in aggregate principal amount at maturity of the Notes specified in this Indenture in connection with such action, any Holder of a Note the serial number of which is included in the Notes the Holders of which have consented to such action may, by filing written notice with the Trustee at its principal Corporate Trust Office and upon proof of holding as provided herein, revoke such consent so far as concerns such Note. Except as aforesaid, any such consent given by the Holder of any Note shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Note issued in exchange therefor, in lieu thereof or upon transfer thereof, irrespective of whether or not any notation in regard thereto is made upon such Note. Any action taken by the Holders of the percentage in aggregate principal amount at maturity of the Notes specified in this Indenture in connection with such action shall be conclusively binding upon Arch Coal, the Guarantors, the Trustee and the Holders. This Section 13.06 shall not apply to revocations of consents to amendments, supplements or waivers, which shall be governed by the provisions of Section 9.04.

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Article 14 MISCELLANEOUS

Section 14.01. *Notices.* (a) Any notice or communication shall be in writing and delivered in person or mailed by first class mail, overnight air courier guaranteeing next-day delivery or sent by facsimile transmission addressed as follows provided that any of the foregoing given to the Trustee will be effective only upon receipt:

if to Arch Coal, Inc. or any Guarantor:

Arch Coal, Inc.
One CityPlace Drive
Suite 300
St. Louis, Missouri 63141
Telephone: 1-800-238-7398
Facsimile: 314-994-2734
Attention: General Counsel

With copies to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: Michael Kaplan (michael.kaplan@davispolk.com)
Byron B. Rooney (byron.rooney@davispolk.com)

if to the Trustee:

U.S. Bank National Association

One U.S. Bank Plaza
Mail Code SL-MO-T6CT
St. Louis, Missouri 63101
Telephone: 314-418-3943
Facsimile: 314-418-1225
Attention: Corporate Trust Department – Cheryl Rain

Arch Coal, the Guarantors or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications. All communications delivered to the Trustee shall be deemed effective when received.

(b) Notices to the Holders regarding the Notes shall be mailed to each Holder by first-class mail, delivered in person or by overnight air courier guaranteeing next-day delivery at such Holder's respective address as it appears on the registration books of the Registrar.

Notices given by (1) first-class mail shall be deemed given five calendar days after mailing, (2) by hand shall be deemed given upon delivery and (3) by overnight air

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courier guaranteeing next-day delivery shall be deemed given the next Business Day after timely delivery to the courier. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is delivered in the manner provided above, it is duly given whether or not the addressee receives it.

In the case by reason of suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

(c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 14.02. *Communication by Holders with Other Holders.* Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 14.03. *Certificate and Opinion as to Conditions Precedent.* Upon any request or application by Arch Coal or any Guarantor to the Trustee and/or Collateral Agent, as applicable, to take or refrain from taking any action under this Indenture (except in connection with the original issuance of the Notes on the date hereof), Arch Coal or any Guarantor, as the case may be, shall furnish upon request to the Trustee and/or Collateral Agent, as applicable:

(a) an Officers' Certificate in form satisfactory to the Trustee and/or Collateral Agent, as applicable, stating that, in the opinion of the signer, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form satisfactory to the Trustee and/or Collateral Agent, as applicable, stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Any Officers' Certificate may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless the officer signing such certificate knows, or in the exercise of reasonable care should know, that such Opinion of Counsel with respect to the matters upon which such Officers' Certificate is based are erroneous. Any Opinion of Counsel may be based and may state that it is so based, insofar as it relates to factual matters, upon an Officers' Certificate stating that the information with respect to such factual matters is in the possession of Arch Coal, unless the counsel signing such Opinion of Counsel knows, or in the exercise of reasonable care should know, that the Officers' Certificate with respect to the matters upon which such Opinion of Counsel is based are erroneous.

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Section 14.04. *Statements Required in Certificate or Opinion.* Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 14.05. *Rules by Trustee, Paying Agent and Registrar.* The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 14.06. *Legal Holidays.* If an Interest Payment Date or other payment date is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period. If a Record Date is not a Business Day, the Record Date shall not be affected.

Section 14.07. *Trust Indenture Act of 1939.* This Indenture shall incorporate and be governed by the provisions of the Trust Indenture Act that are required to be part of and to govern indentures qualified under the Trust Indenture Act.

Section 14.08. *Noteholder Communications; Noteholder Actions.* The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or the Notes and the corresponding rights and duties of the Company and the Trustee shall be as provided by Trust Indenture Act Section 312.

Section 14.09. *Governing Law.* THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 14.10. *No Recourse Against Others.* No director, officer, employee, incorporator, stockholder, member, manager or partner of Arch Coal or any Guarantor, as such, shall have any liability for any obligations of Arch Coal or any Guarantor under the Notes, this Indenture, any Note Guarantees or the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes.

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Section 14.11. *Successors.* All agreements of Arch Coal and any Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 14.12. *Electronic Means.* The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 14.13. *Multiple Originals.* The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

Section 14.14. *Table of Contents, Cross-Reference Sheet and Headings.* The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 14.15. *Severability.* In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first written above.

Arch Coal, Inc.,

as Issuer

By:

Name: Matt Giljum

Title: Vice President — Finance and Treasurer

[Company's Signature Page to the 1.5 Lien Indenture]

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ACI Terminal, LLC

Allegheny Land Company

Arch Coal Sales Company, Inc.

Arch Coal West, LLC

Arch Development, LLC

Arch Energy Resources, LLC

Arch Reclamation Services, Inc.

Arch Western Acquisition Corporation

Arch Western Acquisition, LLC
Arch Western Resources, LLC
Arch of Wyoming, LLC
Ark Land Company
Ark Land KH, Inc.
Ark Land LT, Inc.
Ark Land WR, Inc.
Ashland Terminal, Inc.
Bronco Mining Company, Inc.
Catenary Coal Holdings, Inc.
Coal-Mac, Inc.
CoalQuest Development LLC
Cumberland River Coal Company
Hawthorne Coal Company, Inc.
Hunter Ridge, Inc.
Hunter Ridge Coal Company
Hunter Ridge Holdings, Inc.
ICG, Inc.
ICG, LLC

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ICG Beckley, LLC
ICG East Kentucky, LLC
ICG Eastern, LLC
ICG Eastern Land, LLC
ICG Illinois, LLC
ICG Knott County, LLC
ICG Natural Resources, LLC
ICG Tygart Valley, LLC
International Coal Group, Inc.
Juliana Mining Company, Inc.
King Knob Coal Co., Inc.
Lone Mountain Processing, Inc.
Marine Coal Sales Company
Melrose Coal Company, Inc.
Mingo Logan Coal Company
Mountain Coal Company, L.L.C.
Mountain Gem Land, Inc.

Mountain Mining, Inc.
Mountaineer Land Company
Otter Creek Coal, LLC
Patriot Mining Company, Inc.
Powell Mountain Energy, LLC
Prairie Holdings, Inc.
Shelby Run Mining Company, LLC
Simba Group, Inc.
Thunder Basin Coal Company, L.L.C.
Triton Coal Company, L.L.C.

Upshur Property, Inc.
Vindex Energy Corporation
Western Energy Resources, Inc.
White Wolf Energy, Inc.
Wolf Run Mining Company
as Guarantors

By: _____
Name: Matt Giljum
Title: Vice President - Finance and Treasurer

[Guarantor's Signature Page to the 1.5 Lien Indenture]

U.S. Bank National Association,
as Trustee

By: _____
Name:
Title:

[Trustee's Signature Page to the 1.5 Lien Indenture]

EXHIBIT A

[FORM OF FACE OF NOTE]

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ARCH COAL, INC. ("ARCH COAL") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY GLOBAL NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NOMINEE AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS GLOBAL NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OR REALES AND OTHER TRANSFERS OF THIS GLOBAL NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS GLOBAL NOTE SHALL BE DEEMED, BY THE ACCEPTANCE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

[DO NOT INCLUDE IN REGISTERED GLOBAL NOTE] THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR THE RELATED GUARANTEES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")), OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, (2) AGREES TO

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OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE DATE OF ORIGINAL ISSUE HEREOF ONLY (A) TO ARCH COAL, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO ARCH COAL'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

[DO NOT INCLUDE IN REGISTERED GLOBAL NOTE] EACH PURCHASER OF THIS GLOBAL NOTE OR ANY INTEREST HEREIN IS HEREBY NOTIFIED THAT THE SELLER OF THIS GLOBAL NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

[[INCLUDE ONLY IF REGULATION S GLOBAL NOTE] UNTIL 40 DAYS AFTER THE COMMENCEMENT OF THE OFFERING, AN OFFER OR SALE OF NOTES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT.]

[[INCLUDE ONLY IF REGULATION S GLOBAL NOTE] BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.]

[If Restricted Global Note CUSIP Number [·] / ISIN Number [·]]

[If Regulation S Global Note CUSIP Number [·] / ISIN Number [·]]

[If Registered Global Note CUSIP Number [·] / ISIN Number [·]]

No.

8.000% SENIOR SECURED NOTE DUE 2022

Arch Coal, Inc., a Delaware corporation, for value received promises to pay to Cede & Co. or registered assigns the principal sum of \$ (UNITED STATES DOLLARS) on August 15, 2022.

From [], 2015, or from the most recent Interest Payment Date to which interest has been paid or provided for, cash interest on this Note will accrue at 8.000%, payable semiannually on February 15 and August 15 of each year, beginning on February 15, 2016, to the Person in whose name this Note (or any predecessor Note) is registered at the close of business on the preceding February 1 or August 1, as the case may be.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature of an authorized signatory, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and to the provisions of the Indenture, which provisions shall for all purposes have the same effect as if set forth at this place. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture.

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IN WITNESS WHEREOF, Arch Coal, Inc. has caused this Note to be signed manually or by facsimile by its duly authorized signatory.

Dated:

Arch Coal, Inc.

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

U.S. Bank National Association,
as Trustee, certifies that this is one of the Notes referred to in the Indenture.

By: _____
Authorized Signatory

[FORM OF REVERSE SIDE OF NOTE]

8.000% Senior Secured Note Due 2022

1. Interest

Arch Coal, Inc., a Delaware corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called "Arch Coal", for value received promises to pay interest on the principal amount of this Note from [-], 2015 at the rate per annum shown above. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Arch Coal will pay interest on overdue principal at the interest rate borne by the Notes compounded semiannually, and it shall pay interest on overdue installments of interest at the same rate compounded semiannually to the extent lawful.

2. Method of Payment

Arch Coal shall pay interest on this Note (except defaulted interest) to the persons who are registered Holders of this Note at the close of business on the Record Date for the next Interest Payment Date even if this Note is cancelled after the Record Date and on or before the Interest Payment Date. Arch Coal shall pay principal and interest in U.S. Dollars in immediately available funds that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of Arch Coal by check mailed to the Holder.

The amount of payments in respect of interest on each Interest Payment Date shall correspond to the aggregate principal amount of Notes represented by the Restricted Global Note, the Regulation S Global Note and the Registered Global Note, as established by the Registrar at the close of business on the relevant Record Date. Payments of principal shall be made upon surrender of the Restricted Global Note, the Regulation S Global Note and the Registered Global Note to the Paying Agent.

3. Paying Agent and Registrar

Initially, U.S. Bank National Association or one of its affiliates will act as Paying Agent and Registrar. Arch Coal or any of its Affiliates incorporated in the United States may act as Paying Agent, Registrar or co-Registrar, subject to the provisions of the Indenture.

4. Indenture

Arch Coal issued the Notes under an indenture dated as of [-], 2015 (the "Indenture"), among Arch Coal, the Guarantors, U.S. Bank National Association, as trustee (the "Trustee") and U.S. Bank National Association, as collateral agent. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms.

The Notes are senior secured guaranteed obligations of Arch Coal and are issued in exchange for Arch Coal Senior Notes in the Exchange Offer and/or the Concurrent Ineligible Holders Offer. The Indenture imposes certain limitations on Arch Coal, the Guarantors and their affiliates, including, without limitation, limitations on the incurrence of indebtedness and issuance of stock, the payment of dividends and other payment restrictions affecting Arch Coal and its subsidiaries, the sale of assets, transactions with and among affiliates of Arch Coal and the Restricted Subsidiaries, change of control and Liens.

5. Optional Redemption

Except as set forth in this and the next two paragraphs, the Notes will not be redeemable at the option of Arch Coal prior to August 15, 2018. Starting on that date, Arch Coal may redeem all or any portion of the Notes, at once or over time, after giving the required notice under the Indenture. The Notes may be redeemed at the Redemption Prices set forth below, plus accrued and unpaid interest to the Redemption Date (subject to the right of Holders of

record on the relevant Record Date to receive interest, if any, due on the relevant Interest Payment Date). The following prices are for Notes redeemed during the 12-month period commencing on August 15 of the years set forth below, and are expressed as percentages of principal amount:

<u>Year</u>	<u>Redemption Price</u>
2018	104.00%
2019	102.00%
2020 and thereafter	100.00%

In addition, at any time and from time to time, prior to August 15, 2018, on one or more occasions, Arch Coal may redeem an aggregate principal amount of Notes not to exceed 35% of the aggregate principal amount of the Notes (calculated giving effect to any issuance of Additional Notes) with the proceeds of one or more Equity Offerings, at a redemption price equal to 108.00% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date); provided, however, that after giving effect to any such redemption, at least 65% of the aggregate principal amount of the Notes (calculated giving effect to any issuance of Additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding any Notes held by Arch Coal or any of its Subsidiaries). Any such redemption shall be made within 90 days after the date of the closing of such Equity Offering upon not less than 30 nor more than 60 days' prior notice.

At any time prior to August 15, 2018, Arch Coal may, at its option, on one or more occasions redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of the date of redemption, and, without duplication, accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

Any redemption pursuant to this Section 5 shall be made pursuant to the provisions of Article Three in the Indenture.

6. Notice of Redemption

Notice of redemption will be given at least 30 days but not more than 60 days before the Redemption Date to the Holder of this Note to be redeemed at the addresses contained in the Security Register. If this Note is in a denomination larger than \$2,000 of principal amount it may be redeemed in part but only in integral multiples of \$1,000. In the event of a redemption of less than all of the Notes, the Notes for redemption will be chosen by the Trustee in accordance with the Indenture. If this Note is redeemed subsequent to a Record Date with respect to any Interest Payment Date specified above, then any accrued interest will be paid to the Holder at the close of business on such Record Date. If money sufficient to pay the Redemption Price of and accrued interest on all Notes (or portions thereof) to be redeemed on the Redemption Date is deposited with the applicable Paying Agent on or before the Redemption Date and certain other conditions are satisfied, interest ceases to accrue on such Notes (or such portions thereof) called for redemption on or after such date.

7. Repurchase at the Option of Holders Upon a Change of Control

Upon the occurrence of a Change of Control, unless Arch Coal has previously or concurrently mailed a redemption notice with respect to all outstanding Notes in accordance with the Indenture, Holders of Notes shall have the right to require Arch Coal to repurchase all or any part of such Holder's Notes pursuant to a Change of Control Offer at the Change of Control Purchase Price (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date). The Change of Control Offer shall be made in accordance with Section 4.11 of the Indenture.

8. Denominations

The Notes are in denominations of \$2,000 and integral multiples of \$1,000 of principal amount in excess thereof. The transfer of Notes may be registered, and Notes may be exchanged, as provided in the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

9. Unclaimed Money

All moneys paid by Arch Coal or the Guarantors to the Trustee or a Paying Agent for the payment of the principal of, or premium, if any, or interest on, any Notes that remain unclaimed at the end of two years after such principal, premium or interest has become due and payable may be repaid to Arch Coal or the Guarantors, subject to applicable law, and the Holder of such Note thereafter may look only to Arch Coal or the Guarantors for payment thereof.

10. Discharge and Defeasance

Subject to certain conditions, Arch Coal at any time may terminate some or all of its obligations and the obligations of the Guarantors under the Notes and the Indenture if Arch Coal irrevocably deposits with the Trustee U.S. Dollars or U.S. Government Obligations, or a combination thereof, for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Supplement and Waiver

The Indenture or the Notes may be amended or supplemented as provided in the Indenture.

12. Defaults and Remedies

The Notes have the Events of Default as set forth in Section 6.01 of the Indenture. If an Event of Default occurs and is continuing, the Trustee, by notice to Arch Coal, or the registered Holders of not less than 25% in aggregate principal amount of the Notes then outstanding by notice to Arch Coal and the Trustee, subject to certain limitations, may declare all the Notes to be due and payable immediately. Certain events of bankruptcy or insolvency are Events of Default and shall result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives an indemnity satisfactory to it. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may rescind any acceleration and its consequence if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal, premium, if any, or interest that has become due solely because of such acceleration. The above description of Events of Default and remedies is qualified by reference, and subject in its entirety, to the more complete description thereof contained in the Indenture.

13. Collateral

The obligations of Arch Coal under the Notes and the Guarantors under their respective Note Guarantees contained in the Indenture are secured by a security interest on all property and assets of Arch Coal and the Guarantors constituting Collateral that ranks junior to the Liens securing First Lien Obligations but senior to the Liens securing the Junior Lien Obligations.

14. Trustee Dealings with Arch Coal

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by Arch Coal, the Guarantors or any of their Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar, co-Registrar or co-Paying Agent may do the same with like rights.

15. No Recourse Against Others

No director, officer, employee, incorporator, stockholder, member, manager or partner of Arch Coal or any Guarantor, as such, shall have any liability for any obligations of Arch Coal or any Guarantor under the Notes, the Indenture or any Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes.

16. Authentication

This Note shall not be valid until an authorized officer of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

17. Governing Law

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Arch Coal or a Guarantor shall furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be made to:

Arch Coal, Inc.
One CityPlace Drive
Suite 300
St. Louis, Missouri 63141

ASSIGNMENT FORM

To assign and transfer this Note, fill in the form below:

(I) or (Arch Coal) assign and transfer this Note to

(Insert assignee's social security or tax I.D. no.)

(Print or type assignee's name, address and postal code)

and irrevocably appoint agent to transfer this Note on the books of Arch Coal. The agent may substitute another to act for him.

Your Signature:

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee:

(Participant in a recognized signature guarantee medallion program)

Date:

Certifying Signature:

In connection with any transfer of any Notes evidenced by this certificate occurring prior to the date that is two years after the later of the date of original issuance of such Notes and the last date, if any, on which the Notes were owned by Arch Coal or any Affiliate of Arch Coal, the undersigned confirms that such Notes are being transferred in accordance with the transfer restrictions set forth in such Notes and:

CHECK ONE BOX BELOW

- (1) to Arch Coal; or
- (2) pursuant to and in compliance with Rule 144A under the U.S. Securities Act of 1933; or
- (3) pursuant to and in compliance with Regulation S under the U.S. Securities Act of 1933; or
- (4) pursuant to another available exemption from the registration requirements of the U.S. Securities Act of 1933; or
- (5) pursuant to an effective registration statement under the U.S. Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (2) is checked, by executing this form, the Transferor is deemed to have certified that such Notes are being transferred to a person it reasonably believes is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act of 1933 who has received notice that such transfer is being made in reliance on Rule 144A; if box (3) is checked, by executing this form, the Transferor is deemed to have certified that such transfer is made pursuant to an offer and sale that occurred outside the United States in compliance with Regulation S under the U.S. Securities Act; and if box (4) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as Arch Coal reasonably requests to confirm that such transfer is being made pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

Signature:

Signature Guarantee:

(Participant in a recognized signature guarantee medallion program)

Certifying Signature:

Date:

Signature Guarantee:

(Participant in a recognized signature guarantee medallion program)

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note or a portion thereof repurchased pursuant to Section 4.09 or 4.11 of the Indenture, check the box:

If the purchase is in part, indicate the portion (in denominations of \$1,000 or any integral multiple thereof) to be purchased:

Your signature:

(Sign exactly as your name appears on the other side of this Note)

Date:

Certifying Signature:

SCHEDULE OF PRINCIPAL AMOUNT

The following decreases/increases in the principal amount of this Note have been made:

Date of Decrease/Increase	Decrease in Principal Amount	Increase in Principal Amount	Principal Amount Following such Decrease/ Increase	Notation Made by or on Behalf of Registrar

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EXHIBIT B

FORM OF TRANSFER CERTIFICATE FOR TRANSFER FROM RESTRICTED GLOBAL NOTE TO REGISTERED GLOBAL NOTE OR
REGULATION S GLOBAL NOTE

(Transfers pursuant to §2.06(b)(2) or §2.06(b)(5) of the Indenture)

U.S. Bank National Association
[One U.S. Bank Plaza
Mail Code SL-MO-T6CT
St. Louis, Missouri 63101]

Re: 8.000% Senior Secured Notes Due 2022 (the “Notes”)

Reference is hereby made to the Indenture dated as of July [·], 2015, (the “**Indenture**”) among Arch Coal, Inc., a Delaware corporation (“**Arch Coal**”), the Guarantors party thereto (collectively the “**Guarantors**”) and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States, as trustee (the “**Trustee**”).

Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to \$[] aggregate principal amount of Notes that are held as a beneficial interest in the form of the Restricted Global Note (CUSIP No. []; ISIN No. []) with the Depository in the name of [name of transferor] (the “**Transferor**”). The Transferor has requested an exchange or transfer of such beneficial interest for an equivalent beneficial interest in the [Registered Global Note (CUSIP No. []; ISIN No. [])] [Regulation S Global Note (CUSIP No. []; ISIN No. [])].

In connection with such request, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Notes and:

(a) with respect to transfers made in reliance on Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), does certify that:

- (1) the offer of the Notes was not made to a person in the United States;
- (2) either (A) at the time the buy order is originated the transferee is outside the United States or the Transferor and any person acting on its behalf reasonably believe that the transferee is outside the United States; or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market described in paragraph

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(b) of Rule 902 of Regulation S and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;

- (3) no directed selling efforts have been made in the United States by the Transferor, an affiliate thereof or any person their behalf in contravention of the requirements of Rule 903 or 904 of Regulation S, as applicable;
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act; and
- (5) the Transferor is not Arch Coal, a distributor of the Notes, an affiliate of Arch Coal or any such distributor (except any officer or director who is an affiliate solely by virtue of holding such position) or a person acting on behalf of any of the foregoing.

(b) with respect to transfers made in reliance on Rule 144 the Transferor certifies that the Notes are being transferred in a transaction permitted by Rule 144 under the U.S. Securities Act.

You, Arch Coal, the Guarantors and the Trustee are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

[Name of Transferor]

By: _____
Name:
Title:
Date:
cc:
Attn:

EXHIBIT C

FORM OF TRANSFER CERTIFICATE FOR TRANSFER FROM REGULATION S GLOBAL NOTE TO REGISTERED GLOBAL NOTE OR
RESTRICTED GLOBAL NOTE

(Transfers pursuant to §2.06(b)(3) or §2.06(b)(5) of the Indenture)

U.S. Bank National Association
[One U.S. Bank Plaza
Mail Code SL-MO-T6CT
St. Louis, Missouri 63101]

Re: 8.000% Senior Secured Notes Due 2022 (the “**Notes**”)

Reference is hereby made to the Indenture dated as of July [·], 2015, (the “**Indenture**”) among Arch Coal, Inc., a Delaware corporation (“**Arch Coal**”), the Guarantors party thereto (collectively the “**Guarantors**”) and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States, as trustee (the “**Trustee**”).

Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to \$[] aggregate principal amount at maturity of Notes that are held in the form of the Regulation S Global Note with the Depository (Common Code No. []; ISIN No. []) in the name of Cede & Co. (the “**Transferor**”) to effect the transfer of the Notes in exchange for an equivalent beneficial interest in the [Registered Global Note (CUSIP No. []; ISIN No. [])[Restricted Global Note (CUSIP No. []; ISIN No. [])].

In connection with such request, and in respect of such Notes the Transferor does hereby certify that such Notes are being transferred in accordance with the transfer restrictions set forth in the Notes and that:

CHECK ONE BOX BELOW:

- o the Transferor is relying on Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”) for exemption from such Act’s registration requirements; it is transferring such Notes to a person it reasonably believes is a “qualified institutional buyer” as defined in Rule 144A that purchases for its own account, or for the account of a qualified institutional buyer, and to whom the Transferor has given notice that the transfer is made in reliance on Rule 144A and the transfer is being made in accordance with any applicable securities laws of any state of the United States; or

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- o the Transferor is relying on an exemption other than Rule 144A from the registration requirements of the Securities Act, subject to Arch Coal’s and the Trustee’s right prior to any such offer, sale or transfer to require the delivery of an Opinion of Counsel, certification and/or other information satisfactory to each of them.
-

You, Arch Coal, the Guarantors and the Trustee are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Name of Transferor]

By: _____
Name:
Title:
Date:
cc:
Attn:



ARCH COAL, INC.

Offer to Exchange

**8.000% Senior Secured Notes due 2022 (the “New Secured Notes”), an Interest Payment and a Cash Payment (each as defined below)
for
7.25% Senior Notes due 2020 (the “2020 Notes”) (CUSIP 039380 AC4) held by the Holder (as defined below)**

You are receiving this notice because you are (i) a holder (a “Holder”) of 7.25% Senior Notes due 2020 (CUSIP No. 039380 AC4) (the “Old Notes”) of Arch Coal, Inc. (the “Company”), which were issued pursuant to the indenture, dated as of August 9, 2010, as supplemented by a first supplemental indenture dated as of August 9, 2010 by and among the Company, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee and (ii) not an “Eligible Purchaser” (as defined in the Exchange Agreement attached hereto as Annex A) pursuant to evidence you have provided to us. We are offering, for each \$1,000 of your Old Notes, to exchange (i) \$837.38 in principal amount of 8.000% Senior Secured Notes due 2022 (the “New Secured Notes”), with terms set forth in the Description of Notes attached to the Exchange Agreement attached hereto as Annex A, (ii) a cash payment of 50% of the total amount of accrued and unpaid interest on the Old Notes from and including the prior interest payment date to, but excluding, the applicable closing date of this exchange (the “Interest Payment”), and (iii) a cash payment of \$60 (the “Cash Payment”) if you agree to an exchange and execute an Exchange Agreement by 5:00 p.m. New York City time on July 17, 2015, or \$30 if you agree to exchange thereafter but prior to midnight New York City time at the end of July 31, 2015. The Company calls this transaction the “Exchange Transaction.” If you wish to participate in the Exchange Transaction, please review the Exchange Agreement attached hereto as Annex A, which includes a summary of the terms of the New Secured Notes, carefully. Your participation in the Exchange Transaction will be conditioned upon your signing the Exchange Agreement in Annex A hereto and satisfaction of the conditions set forth therein, which shall constitute your implicit acceptance of the terms of the New Secured Notes as described in the Exchange Agreement. You will also be required to consent to certain amendments to the indenture governing your Old Notes to participate in this offer. **ONCE YOU AGREE TO EXCHANGE AND EXECUTE AN EXCHANGE AGREEMENT, YOU WILL NOT BE ABLE TO WITHDRAW YOUR AGREEMENT.**

We are separately conducting an exchange offer for Eligible Purchasers under which we are offering them the same amount of cash but a different security. Closing of the Exchange Transaction will be conditioned upon closing of that transaction. We are separately seeking to conduct exchanges for notes of our other series, which could reduce our total amount of debt outstanding but increase the amount of debt that is secured by liens that rank ahead of the liens securing the New Secured Notes and will be effectively senior to the Old Notes.

The Company has filed with the Securities and Exchange Commission (“SEC”) an application on Form T-3 for qualification of the indenture governing the New Secured Notes under the Trust Indenture Act of 1939. The indenture will be filed as an exhibit to the Form T-3. No Exchange Transaction will occur, and no New Secured Notes will be issued, before this indenture has been so qualified.

You should read Arch’s filings with the SEC, available at www.sec.gov before deciding whether or not to exchange. We hereby incorporate by reference our annual report on Form 10-K for the year ended December 31, 2014, our quarterly report on Form 10-Q for the quarter ended March 31, 2015, our Current Reports on Form 8-K dated February 3, 2015, February 26, 2015, February 27, 2015, April 21, 2015, April 23, 2015, April 24, 2015, May 22, 2015, June 26, 2015 and July 2, 2015 and any subsequent filing we make with the SEC prior to the execution of your Exchange Agreement. The Company has not authorized anyone to provide you with any information or to make any representation not contained in this document or referred to herein. The Company does not take any responsibility for, and can provide no assurances as to, the reliability of any information that others may provide you. This document may only be used where it is legal to offer or sell the New Secured Notes. The information in this document may only be accurate as of its date.

The Company is relying on Section 3(a)(9) of the Securities Act of 1933, as amended (the “Securities Act”), to exempt the Exchange Transaction from the registration requirements of the Securities Act. The Company has not filed and will not file a registration statement under the Securities Act or any other federal or state securities laws with respect to the New Secured Notes.

In making a decision in connection with the Exchange Transaction, noteholders must rely on their own examination of the Company and the terms of the Exchange Transaction, including the merits and risks involved. Noteholders should not construe the contents of this document as providing any legal, business, financial or tax advice. Each noteholder should consult with its own legal, business, financial and tax advisors with respect to any such matters concerning the Exchange Transaction.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS DOCUMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL

July 6, 2015

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ANNEX A

[Exchange Agreement]

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FORM OF EXCHANGE AGREEMENT(1)

This Exchange Agreement (this "Agreement") is made and entered into as of [·], 2015 by and between [·] (the "Holder") and Arch Coal, Inc., a Delaware corporation (the "Company").

RECITALS

WHEREAS, the Holder currently holds an aggregate principal amount of the Company's 7.25% Senior Notes due 2020 (CUSIP No. 039380 AC4) (the "Old Notes") issued pursuant to the Indenture, dated as of August 9, 2010, as supplemented by a first supplemental indenture dated as of August 9, 2010 (together, the "Old Indenture") by and among the Company, the subsidiary guarantors named therein (the "Guarantors") and U.S. Bank National Association, as trustee (the "Trustee") as set forth on Annex A hereto;

WHEREAS, the Company plans to issue 8.000% Senior Secured Notes due 2022, with terms substantially consistent with those set forth in the "Description of Notes" attached hereto as Annex C (the "New Notes"), pursuant to an indenture to be dated as of [·], 2015 among the Company, the Guarantors and U.S. Bank National Association, as trustee and collateral agent (the "Indenture");

WHEREAS, concurrently with the Exchange Transaction (defined below) the Company and the Guarantors plan to enter into a supplemental indenture (the "Supplemental Indenture") to give effect to the amendments to the Old Indenture set forth in Article III of this Agreement;

WHEREAS, the Holder desires to be issued the principal amount of New Notes as set forth on Annex A hereto pursuant to the terms of the Indenture, on the terms and conditions set forth in this Agreement, by exchanging its Old Notes for (i) New Notes at an amount equal to \$837.38 principal amount of New Notes for each \$1,000 principal amount of Old Notes exchanged, (ii) a cash payment of 50% of the total amount of accrued and unpaid interest on the Old Notes from and including the prior interest payment date to, but excluding, the Early Closing Date or the Final Closing Date, as applicable (the "Interest Payment") and (iii) a cash payment of \$60(2) (the "Cash Payment") from the Company if this Agreement is signed prior to 5:00 p.m. New York City time July 17, 2015 (the "Exchange Transaction");

NOW, THEREFORE, in consideration of the agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- (1) The actual Exchange Agreement executed with each Holder may differ from this form and may differ from any form executed with any Holder.
- (2) To be reduced to \$30 if this Agreement is signed after 5:00 p.m. New York City time July 17, 2015 but on or before midnight New York City time at the end of July 31, 2015.

ARTICLE I
Exchange

Section 1.1 The Exchange. On the Closing Date (as defined below) upon the terms and subject to the conditions of this Agreement, the Company shall (i) issue and exchange an aggregate principal amount of New Notes as set forth on Annex A hereto, guaranteed by the Guarantors, for an aggregate principal amount of Old Notes as set forth on Annex A hereto, (ii) pay, or cause to be paid, the Interest Payment to the Holder and (iii) pay, or cause to be paid, the Cash Payment to the Holder. All questions as to the form of all documents and the validity and acceptance of the Old Notes and the New Notes will be determined by the Company, in its sole discretion, which determination shall be final and binding.

Section 1.2 Closing. The Company reserves the right to schedule closing for Old Notes tendered prior to 5:00 p.m. New York City time on July 17, 2015 on a date to be specified by the Company, subject to the satisfaction of all closing conditions, no later than [·], 2015 (the "Early Closing Date"). The Closing for Old Notes tendered after 5:00 p.m. New York City time on July 17, 2015 but on or prior to midnight New York City time on July 31, 2015 (and if the Company does not exercise its right in the preceding sentence for Old Notes tendered after 5:00 p.m. New York City time on July 17, 2015 but on or prior to midnight New York City time on July 31, 2015) is anticipated to take place on a date to be specified by the Company, subject to the satisfaction of all closing conditions, no later than [·], 2015 (the "Final Closing Date"). Closing will take place at the offices of Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY, 10017, United States on the Early Closing Date, the Final Closing Date, or on such other date and at such other place as the parties may agree in writing (each such date, a "Closing Date"). On the Closing Date, (i) the Holder shall deliver or cause to be delivered the Holder's Old Notes to the Depository Trust Company ("DTC") in accordance with the Deposit/Withdrawal at Custodian ("DWAC") procedures, duly and validly endorsed to the Trustee's account at the DTC Participant as set forth on Annex A hereto, (ii) the Company shall cause the Trustee to credit the Holder's (or such other person's) account at the DTC Participant as set forth on Annex A hereto, and (iii) the Company shall make the Interest Payment and Cash Payment by wire transfer of immediately available funds to the account specified by the Holder in Annex B hereto. Upon confirmation by the Trustee of receipt and

acceptance of the Holder's Old Notes as transferred through the DWAC procedures of DTC and receipt by the Holder of the New Notes, Interest Payment and Cash Payment, the Company shall instruct the Trustee to cancel the Old Notes.

Section 1.3 Conditions to Closing. The closing of the Exchange Transaction shall become effective upon the satisfaction of the following conditions:

(a) The Holder, the Company and the Guarantors shall have executed and delivered to each other this Agreement.

(b) The application on Form T-3 under the Trust Indenture Act of 1934, as amended, (the "Trust Indenture Act") relating to the Indenture (the "Form T-3") shall have been filed with the Securities and Exchange Commission (the "SEC") and the Indenture shall be qualified under the Trust Indenture Act.

(c) The Holder shall have duly and validly transferred, assigned and delivered to the Trustee the Old Notes being exchanged pursuant to this Agreement.

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(d) The Company shall have paid, or caused to be paid, the Interest Payment and the Cash Payment.

(e) The Company shall have executed and delivered the New Notes.

(f) The Old Notes shall have been cancelled by the Trustee.

(g) The Company shall have consummated its private offer to exchange 6.25% Trust Certificates due 2021 and a cash payment for its outstanding Old Notes held by eligible holders of Old Notes.

(h) The Company, the Guarantors and the Trustee shall have entered into the Supplemental Indenture and the Supplemental Indenture shall be in full force and effect.

Section 1.4 Exchange of Additional Notes. Simultaneously with, prior to or after the closing of the Exchange Transaction, subject to the terms of the Indenture, the Company may issue New Notes to one or more other holders of the Old Notes on terms similar to those set forth herein or otherwise.

ARTICLE II

Accrued and Unpaid Interest; Other Payments Satisfied; Waiver of Defaults and Other Claims

Section 2.1 Satisfaction of Payments. Subject to the terms of this Agreement, the Holder agrees that its acceptance of the New Notes satisfies in full all obligations to pay principal, interest and other payments to the Holder and all other amounts owed to the Holder arising out of or relating to the Old Notes, and releases the Company from all such obligations. The Holder further agrees to cooperate with the Company in executing any documentation and taking any other actions to effectuate any such release.

Section 2.2 Waiver of Claims. The Holder agrees that its acceptance of a New Note will constitute an express waiver with respect to all claims against the Company of any breach that may otherwise arise under the Old Notes, other than claims for payment of interest or principal.

ARTICLE III

Consent to Amendments to the Old Indenture

Section 3.1 Consent to Amendment.

(a) The Holder agrees that, pursuant to Section 9.02 of the Old Indenture, the Holder consents (with respect to the entire aggregate principal amount of the Holder's Notes set forth on Annex A) to each of the following amendments to the Old Indenture:

(i) Section 1.01 of the Old Indenture shall be amended by deleting paragraph (t) under "Permitted Liens" in its entirety and replacing it with the following: (t) Liens not otherwise permitted by clauses (a) through (s) above securing Debt or other

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obligations in an aggregate principal amount not to exceed \$200.0 million at the time such Debt is Incurred;

(ii) Section 4.06 of the Old Indenture shall be amended by deleting paragraph (a) in its entirety and replacing it with the following: (a) Debt under Credit Facilities (including, without limitation, the Incurrence of Guarantees thereof) in an aggregate amount at any one time outstanding pursuant to this clause (a) not to exceed the greater of (i) 3,000.0 million, less the aggregate amount of all Net Available Cash from Asset Sales applied by Arch Coal or any Restricted Subsidiary to Repay any such Debt pursuant to Section 4.09 of the Indenture and (ii) an amount equal to 3.0 times Arch Coal's EBITDA with respect to Arch Coal's most recent four full fiscal quarters for which internal financial statements of Arch Coal are available, calculated on a pro forma basis consistent with the definition of Consolidated Interest Coverage Ratio; and

(iii) Section 4.06 of the Old Indenture shall be amended by deleting paragraph (l) in its entirety and replacing it with the following: (l) other Debt of Arch Coal or any Restricted Subsidiary in an aggregate principal amount outstanding at any one time not to exceed the greater of (1) \$500.0 million and (2) 5% of Consolidated Net Tangible Assets.

(b) The Holder acknowledges that agreement to the amendments to the Old Indenture described in Section 3.1(a) above is a condition to the Holder's participation in the Exchange Transaction and receipt of New Notes.

ARTICLE IV
Representations, Warranties, and Covenants of the Holder

The Holder hereby makes the following representations, warranties, and covenants, each of which is true and correct on the date hereof and shall survive the Closing Date and the transactions contemplated hereby to the extent set forth herein.

Section 4.1 Existence and Power.

(a) The Holder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby, and has taken all necessary action to authorize such execution, delivery and performance.

(b) All governmental and other consents that are required to have been obtained by the Holder with respect to this Agreement and the transactions contemplated hereby have been obtained and are in full force and effect and all conditions of any such consents required to be complied with on or prior to the date hereof have been complied with.

(c) The execution of this Agreement by the Holder and the consummation by the Holder of the transactions contemplated hereby do not and will not constitute or result in a

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breach, violation or default under any note, bond, mortgage, deed, indenture, lien, instrument, contract, agreement, lease or license, whether written or oral, express or implied, any provision of its constitutional documents, or any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of the Holder or on the part of any other party thereto or cause the acceleration or termination of any obligation or right of the Holder.

Section 4.2 Valid and Enforceable Agreement; Authorization. This Agreement has been duly executed and delivered by the Holder and constitutes a legal, valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, except that such enforcement may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally, and (ii) general principles of equity and public policy.

Section 4.3 Title to Old Notes. The Holder is the sole legal and beneficial owner of Old Notes as of the date hereof and has good and valid title to the Old Notes, free and clear of any mortgage, lien, pledge, charge, security interest, encumbrance, title retention agreement, option, equity or other adverse claim thereto. The Holder has not, in whole or in part, (i) assigned, transferred, hypothecated, pledged or otherwise disposed of the Old Notes or its rights in such Old Notes, or (ii) given any person or entity any transfer order, power of attorney or other authority of any nature whatsoever with respect to such Old Notes. The Holder will transfer and deliver to the Company on the Closing Date valid title to the Old Notes, free and clear of any mortgage, lien, pledge, charge, security interest, encumbrance, title retention agreement, option, equity or other adverse claim thereto.

Section 4.4 Investment Decision.

(a) The transactions contemplated hereby are intended to be exempt from registration by virtue of Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"). The Holder does not know of any reason why such exemption is not available.

(b) The Holder understands, represents, warrants and agrees that the New Notes have not been registered under the Securities Act, or any other applicable securities laws and, accordingly, may be reoffered, resold, pledged or otherwise transferred only if exemptions from the Securities Act and applicable state securities laws are available to the Holder, and that none of the Company or the Guarantors has made or is making any representation, warranty or covenant, express or implied, as to the availability of any exemption from registration under the Securities Act or any applicable state securities laws for the reoffer, resale, pledge or other transfer of any New Notes, or that any New Notes purchased by it will ever be able to be lawfully reoffered, resold, pledged or otherwise transferred. The New Notes will be subject to any transfer restrictions applicable to the Old Notes. The Holder has not acted on behalf of the Company.

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(c) The Holder understands that no federal or state agency has passed upon the merits or risks of any investment in the New Notes or made any finding or determination concerning the fairness or advisability of this investment.

(d) The Holder also specifically acknowledges that the Company would not enter into this Exchange Agreement or the Exchange Transaction in the absence of the Holder's representations and acknowledgments set out in this Exchange Agreement, and that this Exchange Agreement, including such representations and acknowledgments, are a fundamental inducement to the Company, and a substantial portion of the consideration provided by the Holder, in this transaction, and that the Company would not enter into this transaction but for this inducement. The Holder agrees that if any of the representations or acknowledgments made by it are no longer accurate, or if any of the agreements made by it are breached, it shall promptly notify the Company.

Section 4.5 Information. The Holder understands, warrants and agrees that (i) it has received and reviewed the information set forth in Annex C, Annex D and Annex E hereto, (ii) it has carefully reviewed the publicly available information regarding the Company and its subsidiaries and affiliates, has been furnished with all other materials that it considers relevant to an exchange of the Old Notes and an investment in the New Notes, and has had a full opportunity to ask questions of and receive answers from representatives of the Company concerning the terms and conditions of an investment in the New Notes; (iii) there are risks incident to the acquisition of the New Notes, including, without limitation, those risks which are disclosed in the publicly available information regarding the Company, its subsidiaries and affiliates; and (iv) it has not relied on the Company or its representatives for any tax advice related to the Exchange Transaction and that it has consulted with its own tax advisor with respect to the application of the United States Federal income tax laws to its particular situation, as well as any tax consequences of the Exchange Transaction.

Section 4.6 No Solicitation. The Holder acknowledges that it was not solicited by anyone on behalf of the Company (other than employees of the Company) to enter into the Exchange Transaction, and it has not solicited any other holder of the Company's outstanding debt securities to participate in a similar transaction.

Section 4.7 No Advisory or Fiduciary Responsibility. The Holder acknowledges and agrees that: (i) any purchase of New Notes in the Exchange Transaction is an arm's-length commercial transaction between the Holder, on the one hand, and the Company, on the other; (ii) none of the Company or any Guarantor has assumed an advisory, fiduciary or similar responsibility in favor of the Holder with respect to the Exchange Transaction or any purchase of New Notes contemplated thereby or the process leading thereto (irrespective of whether any of them has advised or is currently advising the Holder on other matters) or any other obligation to the Holder except, in the case of the Company, the obligations expressly set forth in this Agreement; and (iii) all claims, obligations, liabilities, demands or causes of action that may be based upon, arise under or relate to the Exchange Transaction or this Agreement, or their respective negotiation, execution or performance may be made only against the Company and the Guarantors, as applicable.

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Section 4.8 Eligible Purchaser. The Holder represents, warrants and agrees that it is not both (i) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act and the rules and regulations thereunder and (ii) a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder (such person who would meet such requirements, an "Eligible Purchaser").

Section 4.9 Mutual Agreement. The terms of the Exchange Transaction have been mutually negotiated by the parties.

ARTICLE V Representations, Warranties and Covenants of the Company

The Company hereby makes the following representations, warranties, and covenants each of which is true and correct on the date hereof and shall survive the Closing Date and the transactions contemplated hereby to the extent set forth herein.

Section 5.1 Existence and Power.

(a) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware. Each Guarantor is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing. The Company and each of the Guarantors has the power, authority and capacity to execute and deliver this Agreement, the Indenture and any other documentation required by this Agreement, and to perform its obligations hereunder, and to consummate the transactions contemplated hereby, and has taken all necessary action to authorize such execution, delivery and performance.

(b) The execution of this Agreement by the Company and the Guarantors, and the consummation by the Company and the Guarantors of transactions contemplated hereby, do not require the consent, approval, authorization, order, registration or qualification or other action of, or filing with or any notice to, the SEC or any other governmental authority, court, body or arbitrator having jurisdiction over the Company.

(c) The execution, delivery and performance of this Agreement by the Company and the Guarantors, and the consummation by the Company and the Guarantors of the transactions contemplated hereby, do not and will not constitute or result in a breach, violation or default under any note, bond, mortgage, deed, indenture, lien, instrument, contract, agreement, lease or license, whether written or oral, express or implied, or with the Company's or the Guarantors' Certificate of Incorporation or by-laws, or any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of the Company or the Guarantors, or on the part of any other party thereto or cause the acceleration or termination of any obligation or right of the Company or any other party thereto. To the knowledge of the Company, no Event of Default (as defined in the Old Notes) is continuing as of the date hereof.

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Section 5.2 Valid and Enforceable Agreement; Authorization. This Agreement has been duly executed and validly authorized, and delivered by the Company and the Guarantors, and constitutes a legal, valid and binding obligation of the Company and the Guarantors, enforceable against the Company and the Guarantors in accordance with its terms, except that such enforcement may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally, and (ii) general principles of equity and public policy.

Section 5.3 Valid Issuance of the New Notes. The Indenture has been duly authorized, executed and delivered by the Company and each of the Guarantors and is a valid and binding obligation of the Company and the Guarantors. The New Notes have been duly and validly authorized by the Company, and each of the Guarantors has duly and validly authorized its guarantee of the New Notes. The New Notes, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will constitute legal and binding obligations of the Company and the Guarantors, be validly issued and free of restrictions on transfer other than restrictions on transfer under this Agreement, applicable state and federal securities laws and liens or encumbrances created by or imposed by the Holder, and enforceable against the Company and the Guarantors in accordance with their terms, except that such enforcement may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally, and (ii) general principles of equity and public policy. The New Notes will be entitled to the benefits of the Indenture.

Section 5.4 Trust Indenture Act. The Form T-3 has been filed with the SEC. On the Closing Date, the Indenture shall be qualified under the Trust Indenture Act and will conform in all material respects to the requirements of the Trust Indenture Act and the rules and regulations of the SEC applicable to an indenture which is qualified thereunder.

Section 5.5 DTC Clearance and Settlement. The Company will arrange for the New Notes to be eligible for clearance and settlement through DTC.

Section 5.6 Mutual Agreement. The terms of the Exchange Transaction have been mutually negotiated by the parties.

ARTICLE VI
Conditions to Obligations of the Parties

Section 6.1 Conditions to the Holder's Obligations. The obligations of the Holder as provided herein are subject to the performance by the Company and the Guarantors of their respective covenants and other obligations hereunder and to the additional condition that the representations and warranties of the Company and the Guarantors shall be true and correct at the Closing Date.

Section 6.2 Conditions to Company's and Guarantors' Obligations. The obligations of the Company and the Guarantors herein are subject to the performance by the Holder of its

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respective covenants and other obligations hereunder and to the additional condition that the representations and warranties of the Holder shall be true and correct at the Closing Date.

Section 6.3 Condition to both Parties' Obligations. The obligations of the parties as provided herein are subject to the condition that no action shall have been taken or threatened and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that could reasonably be expected, as of the Closing Date, to render it inadvisable to continue with the commencement or consummation of the Exchange; and no injunction or order of any federal, state or foreign court shall have been issued that could reasonably be expected to, as of the Closing Date, to render it inadvisable to continue with the issuance or distribution of the New Notes in exchange for the Old Notes.

ARTICLE VII
Miscellaneous Provisions

Section 7.1 Notice. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Holder, will be mailed, delivered or telefaxed and confirmed to the Holder at the address set forth on Annex A hereto; or, if sent to the Company, will be mailed, delivered or telefaxed to Arch Coal, Inc., One CityPlace Dr., Suite 300, St. Louis, Missouri 63141, Telecopy No.: (314) 994-2734, Attention: Robert Jones, Esq., Senior Vice President — Law, General Counsel and Secretary.

Section 7.2 Entire Agreement. This Agreement and the other documents and agreements executed in connection with the Exchange Transaction embody the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous oral or written agreements, representations, warranties, contracts, correspondence, conversations, memoranda and understandings between or among the parties or any of their agents, representatives or affiliates relative to such subject matter, including, without limitation, any term sheets, emails or draft documents.

Section 7.3 Assignment; Binding Agreement. This Agreement and the various rights and obligations arising hereunder shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns. Neither the Company nor the Holder shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other.

Section 7.4 Counterparts. This Agreement may be executed in multiple counterparts, and on separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Any counterpart or other signature hereupon delivered by facsimile shall be deemed for all purposes as constituting good and valid execution and delivery of this Agreement by such party.

Section 7.5 Remedies Cumulative. Except as otherwise provided herein, all rights and remedies of the parties under this Agreement are cumulative and without prejudice to any other rights or remedies available at law.

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Section 7.6 Governing Law and Submission to Jurisdiction. Any claim, controversy or dispute arising under or related to this Exchange Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Company and the Holder irrevocably agree to waive trial by jury in any action, proceeding, claim or counterclaim brought by or on behalf of either party related to or arising out of this letter agreement or the performance of services hereunder.

Each of the parties hereto agrees that any suit, action or proceeding arising out of or based upon this letter agreement or the transactions contemplated hereby may be instituted in any State or U.S. federal court in The City of New York and County of New York and in the courts of its own domicile in respect of actions brought against such party as a defendant and waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding and waives the right to any other jurisdiction that it may be entitled to by reason of its present or future domicile or other reason. A final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon the parties hereto and may be enforced in any other courts to whose jurisdiction the parties hereto are or may in the future be subject, by suit upon judgment.

Section 7.7 Third Party Beneficiaries or Other Rights. Nothing herein shall grant to or create in any person not a party hereto, or any such person's dependents or heirs, any right to any benefits hereunder, and no such party shall be entitled to sue any party to this Agreement with respect thereto.

Section 7.8 Waiver; Consent. This Agreement may not be changed, amended, terminated, augmented, rescinded or discharged (other than in accordance with its terms), in whole or in part, except by a writing executed by the parties hereto. No waiver of any of the provisions or conditions of this Agreement or any of the rights of a party hereto shall be effective or binding unless such waiver shall be in writing and signed by the party claimed to have given or consented thereto. Except to the extent otherwise agreed in writing, no waiver of any term, condition or other provision of this Agreement, or any breach thereof shall be deemed to be a waiver of any other term, condition or provision or any breach thereof, or any subsequent breach of the same term, condition or provision, nor shall any forbearance to seek a remedy for any noncompliance or breach be deemed to be a waiver of a party's rights and remedies with respect to such noncompliance or breach.

Section 7.9 Word Meanings. The words such as “herein”, “hereinafter”, “hereof”, and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, and vice versa, unless the context otherwise requires. The masculine shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

Section 7.10 No Broker. No party has engaged any third party as broker or finder or incurred or become obligated to pay any broker’s commission or finder’s fee in connection with the transactions contemplated by this Agreement other than such fees and expenses for which it

shall be solely responsible, provided that the Company has hired [] as the exchange agent for the transactions contemplated by this Agreement.

Section 7.11 Further Assurances. The Holder and the Company each hereby agree to execute and deliver, or cause to be executed and delivered, such other documents, instruments and agreements, and take such other actions, as either party or the Trustee may reasonably request in connection with the transactions contemplated by this Agreement.

Section 7.12 Costs and Expenses. The Holder and the Company shall each pay their own respective costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, including, but not limited to, attorneys’ fees.

Section 7.13 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 7.14 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 7.15 Termination. Prior to the effectiveness of closing of the Exchange Transaction, if the Company shall conclude that any of the conditions of this Agreement will not be satisfied, it may cause this Agreement to be terminated by giving notice to the Holder of such termination. Upon termination of this Agreement, any Old Notes previously delivered for exchange under this Agreement will be returned to the Holder and no exchange or payment of any amount by the Company will be required.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

[Holder]

By: _____
Name:
Title:

[Signature Page to the Exchange Agreement]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

THE COMPANY:

ARCH COAL, INC.

Name:
Title:

[Signature Page to the Exchange Agreement]

Name of Holder: [·]

Address and Phone Number of Holder: [·]

DTC Delivery Instructions

Delivery of Old Notes

Old Notes will be delivered via a DWAC withdrawal by the Holder to the following account of the Trustee:

Principal Amount: \$[.]
CUSIP: [.]
DTC #: [.]
Name of Issue: Arch Coal, Inc. 7.25% Senior Notes due 2020
FAST Transfer Agent #: [.]

Issuance of New Notes

New Notes will be delivered via DTC to the following account of the Holder:

Principal Amount: \$[.]
Name of Bank/Broker: [.]
DTC #: [.]
Account No.: [.]
Account Name: [.]

ANNEX A-1

Annex B

Wire Instructions

For purposes of wiring the Interest Payment and Cash Payment to the Holder, please use the following wire instructions:

Bank: [.]
Address: [.]
ABA #: [.]
SWIFT #: [.]
Account Name: [.]
Account #: [.]
Ref: [.]

ANNEX B-1

Annex C

[Description of Notes]

ANNEX C-1

DESCRIPTION OF NEW 2022 SECURED NOTES

Arch Coal will issue the 8.000% senior secured notes due 2022 (the “New 2022 Secured Notes”) under an Indenture to be dated as of the Issue Date (the “Indenture”), among Arch Coal, the Guarantors and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”) and collateral agent. The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. The Security Documents referred to under the caption “—Security” define the terms of the agreements that will secure the New 2022 Secured Notes and the Note Guarantees.

You can find the definitions of certain terms used in this description under the caption “Certain Definitions.” In this description, “Arch Coal” refers only to Arch Coal, Inc. and not to any of its subsidiaries, and the terms “Note” and “Notes” refer only to the New 2022 Secured Notes.

You are encouraged to read the Indenture and the Security Documents because they, and not this description, define your rights as a holder of the Notes. Copies of the Indenture and the Security Documents are available upon request to Arch Coal at the address indicated under “Where You Can Find Additional Information.”

Brief Description of the Notes and the Guarantees

The Notes

The Notes will:

- be Arch Coal’s general obligations;
- be secured by 1.5 Priority Liens, subject to the First Priority Liens securing obligations under the Amended and Restated Credit Agreement (including the New Term Loans and the New Revolving Loans) and the other First Lien Obligations and any Permitted Liens, on substantially all of

the assets of Arch Coal and the Guarantors;

- be initially issued in an aggregate principal amount of up to \$200.0 million in the Exchange Offer and the Concurrent Ineligible Holders Offer, subject to Arch Coal's ability to issue additional notes under certain circumstances;
 - rank equally in right of payment with any and all of Arch Coal's existing and future Debt that is not subordinated in right of payment to the Notes, including the Arch Coal Senior Notes;
 - be structurally subordinated to all existing and future Debt of Subsidiaries of Arch Coal that do not provide Note Guarantees, including the accounts receivable securitization program;
 - be effectively junior to any secured Debt which is either secured by assets that are not Collateral or which is secured by a Lien senior or prior to the 1.5 Priority Liens, including the First Priority Liens securing obligations under the Amended and Restated Credit Agreements (including the New Term Loans and the New Revolving Loans) and any Permitted Liens, in each case, to the extent of the value of the assets securing such Debt;
 - be effectively senior to all existing and future unsecured Debt of Arch Coal or Debt of Arch Coal with a Junior Priority Lien on the Collateral (as defined under the caption "—Security") securing the Notes to the extent of the Collateral, including the Arch Coal Secured Notes;
-

- rank senior in right of payment with any and all of Arch Coal's future Debt that is subordinated in right of payment to the Notes; and
- be initially guaranteed on a senior secured basis by the Subsidiaries of Arch Coal that guarantee the repayment of Debt under the Amended and Restated Credit Agreement or any capital markets Debt.

The Note Guarantees

Each Note Guarantee will:

- be a general obligation of the Guarantor that granted such Note Guarantee;
- be secured by 1.5 Priority Liens, subject to the First Priority Liens securing obligations under the Amended and Restated Credit Agreement (including the New Term Loans and the New Revolving Loans) and the other First Lien Obligations and any Permitted Liens, on substantially all of the assets of such Guarantor;
- be effectively junior to any secured Debt of such Guarantor which is either secured by assets that are not Collateral or which is secured by a Lien prior to the 1.5 Priority Liens, including the First Priority Liens securing obligations under the Amended and Restated Credit Agreement (including the New Term Loans and the New Revolving Loans) and any Permitted Lien, in each case, to the extent of the value of the assets securing such Debt;
- be structurally subordinated to all existing and future Debt of Subsidiaries of Arch Coal that do not provide Note Guarantees, including the accounts receivable securitization program;
- rank equally in right of payment with any and all of such Guarantor's existing and future Debt that is not subordinated in right of payment to its Note Guarantee, including its Guarantee of the Arch Coal Senior Notes;
- rank senior in right of payment to any and all of such Guarantor's future Debt that is subordinated in right of payment to its Note Guarantee; and
- rank effectively senior to all unsecured Debt of such Guarantor or Debt of such Guarantor with a Junior Priority Lien on the Collateral (to the extent of the value of the Collateral), including its Guarantee of the Arch Coal Secured Notes.

General

As of March 31, 2015, after giving effect to the Transactions (assuming (A) the exchange of \$500 million aggregate principal amount of 2020 Notes in the Concurrent Exchange Offer and the Concurrent Ineligible Holders Offer, resulting in (i) the issuance of \$180.0 million aggregate principal amount of Trust Certificates by the Trust (and Arch Coal's issuance to the Trust as lender of \$150.0 million aggregate principal amount of New Term Loans and \$30.0 million aggregate principal amount of New Revolving Loans), and (ii) the issuance of \$58.6 million aggregate principal amount of New 2022 Secured Notes by Arch Coal; and (B) the exchange of (i) \$800.0 million aggregate principal amount of the Old 7.000% 2019 Notes, (ii) \$300.0 million aggregate principal amount of Old 9.875% 2019 Notes and (iii) \$150.0 million aggregate principal amount of the Old 7.250% 2021 Notes, resulting in the issuance of (x) \$224.0 million aggregate principal amount of Trust Certificates by the Trust (and Arch Coal's issuance to the Trust as lender of \$224.0 million aggregate principal amount of New Revolving Loans), (y) \$141.4 million aggregate principal amount of New 2022 Secured Notes by Arch Coal and (z) \$150.0 million aggregate principal amount of New 2023 Secured Notes by Arch Coal):

- Arch Coal would have had \$4.2 billion of indebtedness outstanding on a consolidated basis, excluding intercompany notes, including approximately \$2.3 billion of indebtedness secured by First Priority Liens or assets that are not Collateral;
- on a combined basis, the Guarantors would have had total Debt of \$36.5 million, excluding an intercompany note, the Note Guarantees, Guarantees of the Arch Coal Secured Notes, Guarantees of the Arch Coal Senior Notes and Guarantees under the Amended and Restated Credit Agreement; and
- on a combined basis, the Subsidiaries that will not guarantee the Notes would have had (i) no Debt, (ii) total liabilities of approximately \$0.8 million, excluding intercompany payables, and (iii) total assets of approximately \$220.5 million.

Not all of Arch Coal's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will be

required to repay financial and trade creditors before distributing any assets to Arch Coal or a Guarantor. For the twelve months ended March 31, 2015, the non-guarantor Subsidiaries did not generate any of Arch Coal's consolidated revenues.

As of the date of the issuance of the Notes, substantially all of Arch Coal's Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," Arch Coal will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Arch Coal's Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture. Arch Coal's Unrestricted Subsidiaries will not guarantee the Notes.

Holding Company Structure

Arch Coal is a holding company for its Subsidiaries and has no material operations of its own and only limited assets. Accordingly, Arch Coal is dependent upon the distribution of the earnings of its Subsidiaries, whether in the form of dividends, advances or payments on account of intercompany obligations, to service its debt obligations.

Principal, Maturity and Interest

Arch Coal is issuing up to \$200.0 million aggregate principal amount of Notes in connection with the Transactions. In addition, subject to compliance with the limitations described under the captions "—Certain Covenants—Limitation on Debt" and "—Certain Covenants—Limitation on Liens," Arch Coal may in the future issue an unlimited principal amount of additional Notes from time to time after this offering under the same Indenture (the "Additional Notes") without the consent of the Holders. Any Additional Notes that Arch Coal issues in the future will be identical in all respects to the Notes and will form a single series with the Notes, except that Additional Notes issued in the future will have different issuance dates, may have different issuance prices and may not be fungible for trading purposes with the Notes. Any Additional Notes will be secured, equally and ratably with the Notes, by Liens on the Collateral described below under the caption "—Security." Arch Coal will issue Notes only in fully registered form without coupons, in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Notes will mature on August 15, 2022.

The Notes will bear interest at the rate of 8.000% per year, from the issue date or from the most recent date on which interest has been paid. Interest on the Notes will be payable semi-annually in arrears on February 15 and August 15, commencing on February 15, 2016. Arch Coal will pay interest to those persons who were Holders of record on the February 1 or August 1 immediately preceding each interest payment date. Interest on the Notes will accrue from the Issue Date or, if interest has already been paid, from the date of the last interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Note Guarantees

The Notes will initially be guaranteed by each Restricted Subsidiary of Arch Coal that guarantees Debt under the Amended and Restated Credit Agreement or any other capital markets Debt. The Guarantors will consist of substantially all of Arch Coal's Subsidiaries. The Indenture will also require that each existing and future Restricted Subsidiary that is not otherwise a Guarantor that Guarantees or secures the payment of any other Debt of Arch Coal or any of its Restricted Subsidiaries under the Amended and Restated Credit Agreement or capital markets Debt will be required to Guarantee the Notes as described below under the caption "—Certain Covenants—Guarantors by Restricted Subsidiaries." Each of the Guarantors will unconditionally guarantee, jointly and severally, on a senior second-lien basis with all other Guarantors, all of Arch Coal's obligations under the Notes, including its obligations to pay principal, interest, and premium, if any, with respect to the Notes. The Note Guarantees will be general secured obligations of the Guarantors and rank pari passu with all existing and future Debt of the Guarantors that is not, by its terms, expressly subordinated in right of payment to the Guarantees. The obligations of each Guarantor will be limited to the maximum amount which, after giving effect to all other contingent and

fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under the Indenture, will result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. See "*Risk Factors—Risks Relating to the New Notes—Federal and state statutes allow courts, under specific circumstances, to void guarantees and require debtholders to return payments received or prevent debtholders from receiving payments.*" Each Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Guarantor in a pro rata amount, based on the net assets of each Guarantor determined in accordance with GAAP. Except as provided in "*Certain Covenants—Limitation on Asset Sales,*" Arch Coal will not be restricted from selling or otherwise disposing of any of the Guarantors.

The Indenture will provide that:

- (i) in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of the Capital Stock of any Guarantor, after which the applicable Guarantor is no longer a Restricted Subsidiary, such Guarantor will be released and relieved of any obligations under its Guarantee; *provided that the Net Available Cash from such sale or other disposition is applied in accordance with the applicable provisions of the Indenture. See "Certain Covenants—Limitation on Asset Sales;"*
- (ii) upon the release or discharge of the Guarantee of the Amended and Restated Credit Agreement or the Guarantee of a Guarantor that resulted in the creation of the Note Guarantee of such Guarantor, except a discharge or release by or as a result of payment under such other Guarantee, such Guarantor will be released and relieved of any obligations under its Note Guarantee;
- (iii) upon the designation of any Guarantor as an Unrestricted Subsidiary in accordance with the terms of the Indenture, such Guarantor will be released and relieved of any obligations under its Note Guarantee; and

(iv) upon the satisfaction and discharge of the Indenture as described under “—Satisfaction and Discharge,” or upon the defeasance of the Indenture as described under “—Defeasance,” each Guarantor will be released and relieved of any obligations under its Note Guarantee.

Security

General

The Notes, the Note Guarantees and Arch Coal’s and the Guarantors’ Obligations under the Indenture will be secured by 1.5 Priority Liens on the Collateral (subject to Permitted Liens). The Collateral includes substantially all of the assets of Arch Coal and the Guarantors (including Arch Coal’s ownership interests in substantially all of its subsidiaries and certain real property that is owned or leased by Arch Coal or any Guarantor, including, but not limited to, the surface, coal and other mineral rights, interests and coal leases associated with such properties), but in any event not including Excluded Collateral. The security interests securing the Notes and the Note Guarantees will be second in priority to any and all security interests at any time granted to secure the First Lien Obligations and will also be subject to all other Permitted Liens. The security interests securing the Notes and the Note Guarantees will be senior in priority to any and all security interests granted to secure the Arch Coal Secured Notes and any other Junior Priority Obligations. The First Lien Obligations include the Amended and Restated Credit Agreement and related obligations. A Person holding such First Lien Obligations may have rights and remedies with respect to the property subject to such Liens that, if exercised, could adversely affect the value of the Collateral or the ability of the Collateral Agent to realize or foreclose on the Collateral on behalf of Holders of the Notes.

“Excluded Collateral” means (i) all undeveloped land so long as such land is not used in connection with or related to any Mining Operation of Arch Coal or any Guarantor, neither Arch Coal nor any Guarantor has any logging or timber rights with respect to such land and such land does not secure First Lien Obligations; (ii) vehicles or other assets subject to certificates of title that do not secure First Lien Obligations; (iii) any other assets which, pursuant to the First Lien Obligations, are not required to be

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pledged for the benefit of the secured parties; (iv) those assets which, in the discretion of the administrative agent under the Amended and Restated Credit Agreement, the taking of Liens thereupon is impractical, prohibited by law or commercially unreasonable; (v) the assets of any non-guarantor Subsidiary; and (vi) any Capital Stock or other securities of any Foreign Subsidiaries (except for 65% of the Capital Stock or other securities in any first-tier Foreign Subsidiaries).

Arch Coal will be required to perfect on the Issue Date the security interests in the Collateral to the extent such security interests are not already perfected and to the extent they can be perfected by the filing of UCC-1 financing statements or the delivery of certificates representing Capital Stock or notes representing intercompany debt to the First Lien Agent who will hold such Collateral as gratuitous bailee and/or gratuitous agent on behalf of the Collateral Agent and the Holders of the Notes. To the extent any such security interest is not already perfected and cannot be perfected by such filing or delivery, Arch Coal will be required to use commercially reasonable efforts to have all security interests that are required by the Security Documents to be in place perfected as soon as practicable following the Issue Date, but in any event no later than 180 days after the Issue Date, except to the extent any such security interest cannot be perfected with commercially reasonable efforts or to the extent the Security Documents do not require perfection of the security interest. If Arch Coal, or any Guarantor, were to become subject to a bankruptcy proceeding, any Liens recorded or perfected after the Issue Date would face a greater risk of being invalidated than if they had been recorded or perfected on the Issue Date.

Subject to the foregoing, if property of the type which would constitute Collateral is acquired by Arch Coal or a Guarantor (including property of a Person that becomes a new Guarantor) that is not automatically subject to a perfected security interest under the Security Documents, then Arch Coal or such Guarantor will provide a 1.5 Priority Lien over such property (or, in the case of a new Guarantor, such of its property) in favor of the Collateral Agent and deliver certain certificates and opinions in respect thereof, all as and to the extent required by the Indenture or the Security Documents.

As set out in more detail below, upon an enforcement event or Insolvency or Liquidation Proceeding, proceeds from the Collateral will be applied first to satisfy First Lien Obligations and then ratably to satisfy obligations under the Notes and any Pari Passu Secured Debt. In addition, the Indenture will permit Arch Coal and the Guarantors to create additional Liens under specified circumstances. See the definition of “Permitted Liens.”

The Collateral is or will be pledged to (1) each collateral agent under the Amended and Restated Credit Agreement (the “First Lien Agent”), on a first priority basis, for the benefit of the First Lien Secured Parties or successor holders of the First Lien Obligations to secure the First Lien Obligations, (2) the Collateral Agent, on a second-priority basis, for the benefit of the Trustee and the Holders of the Notes and the holders of any Pari Passu Secured Debt to secure the 1.5 Lien Obligations, and (3) to the Collateral Agent on a third priority basis, for the benefit of the Junior Lien Secured Parties and the holders of any other Junior Lien Obligations. The 1.5 Lien Obligations will constitute claims separate and apart from (and of a different class from) the First Lien Obligations and Junior Lien Obligation. The 1.5 Liens will be junior and subordinate to the First Priority Liens in accordance with the terms of the New Intercreditor Agreement.

Control over Collateral and Enforcement of Liens; Application of Proceeds

The Security Documents will provide that, prior to the Discharge of First Lien Obligations, the First Lien Agent will have the sole power to exercise remedies against the Collateral (subject to the right of the Collateral Agent and the Holders of 1.5 Lien Obligations to take limited protective measures with respect to the 1.5 Priority Liens and to take certain actions that would be permitted to be taken by unsecured creditors) and to foreclose upon and dispose of the Collateral.

Proceeds realized by the First Lien Agent or the Collateral Agent from the Collateral (including proceeds of Collateral in an Insolvency or Liquidation Proceeding) will be applied:

- (1) *first*, to amounts owing to the holders of the First Lien Obligations until the Discharge of First Lien Obligations;

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(2) *second*, to amounts owing to the Collateral Agent in its capacity as such in accordance with the terms of the Security Documents and to amounts owing to the Trustee in its capacity as such in accordance with the terms of the Indenture;

(3) *third*, ratably to amounts owing to any representative for Pari Passu Secured Debt in their capacity as such in accordance with the terms of such Pari Passu Secured Debt;

(4) *fourth*, ratably to amounts owing to the holders of 1.5 Lien Obligations in accordance with the terms of the Security Documents and the Indenture; and

(5) *fifth*, to holders of Junior Priority Lien Obligations in accordance with the terms of the Junior Lien Documents; and

(6) *sixth*, to Arch Coal and/or other persons entitled thereto.

None of the Collateral has been appraised in connection with the offering of the Notes or otherwise. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the condition of our industry, our ability to implement our business strategy, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including but not limited to the actual fair market value of the Collateral at such time and the timing and the manner of the sale. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, there can be no assurance that the Collateral will be saleable, or, if saleable, that there will not be substantial delays in its liquidation. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay our obligations under the Notes. In addition, the fact that the First Lien Lenders will receive proceeds from enforcement of the Collateral before Holders of the Notes, that other Persons may have Permitted Liens and that the 1.5 Priority Lien held by the Collateral Agent will secure any Pari Passu Secured Debt in addition to the Obligations under the Notes and the Indenture could have a material adverse effect on the amount that Holders of the Notes would receive upon a sale or other disposition of the Collateral. Accordingly, there can be no assurance that proceeds of any sale of the Collateral pursuant to the Indenture and the related Security Documents following an Event of Default would be sufficient to satisfy, or would not be substantially less than, amounts due under the Notes. In addition, in the event of a bankruptcy, the ability of the Holders to realize upon any of the Collateral may be subject to certain bankruptcy law limitations as described below.

If the proceeds from a sale or other disposition of the Collateral were not sufficient to repay all amounts due on the Notes, the Holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the remaining assets of Arch Coal and the Guarantors.

To the extent that Liens (including Permitted Liens), rights or easements granted to third parties encumber assets located on property owned by Arch Coal or the Guarantors, including the Collateral, such third parties may exercise rights and remedies with respect to the property subject to such Liens that could adversely affect the value of the Collateral and the ability of the Collateral Agent, the Trustee or the Holders of the Notes to realize or foreclose on Collateral.

Certain Bankruptcy Limitations

The right of the Collateral Agent to repossess and dispose of the Collateral upon the occurrence of an Event of Default in accordance with the terms of the New Intercreditor Agreement would be significantly impaired by bankruptcy law in the event that a bankruptcy case were to be commenced by or against Arch Coal or any Guarantor prior to the Collateral Agent's having repossessed and disposed of the Collateral. Upon the commencement of a case for relief under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), a secured creditor such as the Collateral Agent is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security without bankruptcy court approval.

In view of the broad equitable powers of a U.S. bankruptcy court, it is impossible to predict how long payments under the Notes could be delayed following commencement of a bankruptcy case, whether or when the Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at any time during a bankruptcy case or whether or to what extent Holders of the Notes would be compensated for any delay in payment or loss of value of the Collateral. The Bankruptcy Code permits only the payment and/or accrual of post-petition interest, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy case to the extent the value of such creditor's interest in the Collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the Collateral.

Furthermore, in the event a bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes, the Holders of the Notes would hold secured claims only to the extent of the value of the Collateral to which the Holders of the Notes are entitled, and unsecured claims with respect to such shortfall.

Release of Liens

The Security Documents and the Indenture will provide that the 1.5 Priority Liens securing the Note Guarantee of any Guarantor will be automatically released when such Guarantor's Note Guarantee is released in accordance with the terms of the Indenture. In addition, the 1.5 Priority Liens securing the Obligations under the Notes and the Indenture will be released (a) in whole, upon a legal defeasance or a covenant defeasance of the Notes as set forth below under "*—Defeasance,*" (b) in whole, upon satisfaction and discharge of the Indenture, (c), in whole, upon payment in full of principal, interest and all other Obligations on the Notes issued under the Indenture, (d) in whole or in part, with the consent of the requisite Holders of the Notes in accordance with the provisions under "*—Amendments and Waivers,*" including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, Notes; (e) in whole, upon the first date that the Notes have Investment Grade Ratings from both Rating Agencies and no Default or Event of Default has occurred and is continuing under the Indenture; and (f) in part, as to any asset constituting Collateral (A) that is sold or otherwise disposed of by Arch Coal or any of the Guarantors in a transaction permitted by the covenant described below under the caption "*—Certain Covenants— Limitation on Asset Sales*" and by the Security Documents (to the extent of the interest sold or disposed of) or otherwise permitted by the Indenture and the Security Documents, if all other Liens on that asset securing the First Lien Obligations and any Pari Passu Secured Debt then secured by that asset (including all commitments thereunder) are released, (B) that is used to make a Restricted Payment or Permitted Investment permitted by the Indenture, (C) that becomes Excluded Collateral, (D) that is otherwise released in accordance with, and as expressly provided for in accordance with, the Indenture and the Security Documents.

Arch Coal must deliver an Officers' Certificate to the Collateral Agent within 30 calendar days following the end of each six-month period beginning on each interest payment date, to the effect that all such releases and withdrawals during the preceding six-month period (or since the Issue Date, in the case of the first such Officers' Certificate) as described in clause (e) of the preceding paragraph, were not prohibited by the Indenture.

New Intercreditor Agreement

On the Issue Date, Arch Coal, the Guarantors, the Collateral Agent and the First Lien Agent will enter into the New Intercreditor Agreement (together with each joinder, supplement, document or agreement pursuant to which Pari Passu Secured Debt will be subject to the same terms and conditions, the "New Intercreditor Agreement"), which will establish the junior-priority status of the 1.5 Priority Liens relative to the First Priority Liens. In addition to the provisions described above with respect to control of remedies, release of Collateral and amendments to the Security Documents, the New Intercreditor Agreement will also impose certain other restrictions and agreements, including the restrictions and agreements described below.

(1) Pursuant to the New Intercreditor Agreement, the Collateral Agent, the Trustee, the Holders of the Notes and the holders of any Pari Passu Secured Debt will agree that the First Lien

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Agent and the other First Lien Secured Parties have no fiduciary duties to them. The First Lien Agent will agree in the New Intercreditor Agreement to hold as a gratuitous agent for control and possession purposes, until the Discharge of First Lien Obligations, certain possessory collateral also for the benefit of the Trustee, the Collateral Agent and the holders of the 1.5 Lien Obligations.

(2) In addition, the Collateral Agent, the Trustee and the Holders of the Notes and the holders of any Pari Passu Secured Debt will waive any claim against the First Lien Agent and the First Lien Lenders in connection with any actions they may take under the Amended and Restated Credit Agreement or with respect to the Collateral so long as such actions are in accordance with the terms of the New Intercreditor Agreement. They will further waive any right to assert, or request the benefit of, any marshalling or similar rights that may otherwise be available to them.

(3) The New Intercreditor Agreement will provide for the right of the Collateral Agent and the holders of 1.5 Lien Obligations to exercise certain rights and remedies as unsecured creditors against Arch Coal or any Guarantor, subject to certain terms, conditions, waivers and limitations as more fully set forth in the New Intercreditor Agreement.

(4) Pursuant to the New Intercreditor Agreement and until the Discharge of First Lien Obligations, the Collateral Agent and the Trustee, for itself and on behalf of the Holders of the Notes and the holders of any Pari Passu Secured Debt, will irrevocably constitute and appoint the First Lien Agent and any officer or agent of the First Lien Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place of the Trustee, Collateral Agent, Holder of the Notes, holders of any Pari Passu Secured Debt or in the First Lien Agent's own name, from time to time in the First Lien Agent's discretion, for the limited purpose of carrying out the terms the New Intercreditor Agreement relating to the release of the 1.5 Priority Liens as permitted thereby, including releases upon sales due to enforcement of remedies or otherwise provided for in the New Intercreditor Agreement, to take any and all appropriate action and to execute any and all releases, documents and instruments which may be necessary or desirable to accomplish the purposes of such section of the New Intercreditor Agreement, including any financing statements, mortgage releases, intellectual property releases, endorsements or other instruments or transfer or release of such liens.

(5) Notwithstanding (i) the time, manner, order or method of grant, creation, attachment or perfection, (ii) any conflict with applicable law, (iii) any defect, lapse, avoidance or ineffectiveness of any First Priority Liens or 1.5 Priority Liens, (iv) modification or refinancing of any First Lien Obligation or 1.5 Lien Obligation or any First Lien Document or documents governing 1.5 Lien Obligations, (v) the subordination of the First Priority Liens to a lien securing another obligation of Arch Coal or any Guarantor, (vi) the exchange of a security interest in any Collateral for security interest in other Collateral, (vii) the commencement of an Insolvency or Liquidation Proceeding or (viii) any other circumstance whatsoever, the First Priority Liens will rank senior to any 1.5 Priority Liens on the Collateral. The Collateral for the First Priority Liens and the 1.5 Priority Liens will at all times be the same, except to the extent agreed in the First Lien Documents and documents governing 1.5 Lien Obligations.

(6) The Trustee, the Collateral Agent, the Holders and the holders of any Pari Passu Secured Debt will agree that (i) in certain circumstances, the holders under the First Priority Liens will be required by the terms thereof to be repaid with proceeds of dispositions of Collateral prior to repayment of the Indenture and any Pari Passu Secured Debt (subject to certain reinvestment provisions) and (ii) they will not accept payments from such dispositions of Collateral until applied to repayment of the First Priority Liens as so required. The Trustee, the Collateral Agent, the Holders and the holders of any Pari Passu Secured Debt will agree that if they receive payments at any time from the Collateral in contravention of the New Intercreditor Agreement, they will promptly turn such payments over to First Lien Obligation holders (through the First Lien Agent).

In addition, if Arch Coal or any Guarantor is subject to any Insolvency or Liquidation Proceeding, the Trustee, the Collateral Agent, the Holders and the holders of any Pari Passu Secured Debt will agree that:

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(1) they will not contest, protest or object to and will be deemed to have consented to Arch Coal's or such Guarantor's use of cash collateral if the First Lien Obligation holders consent to such usage;

(2) they shall not seek or require Arch Coal or any Guarantor to provide any adequate protection, or accept any such adequate protection, for 1.5 Lien Obligations except that if, in connection with the use of Collateral constituting cash collateral by Arch Coal and the Guarantors or debtor-in-possession ("DIP") financing provided to Arch Coal and the Guarantors, the First Lien Obligation holders are granted adequate protection in the form of additional collateral, then the Trustee may seek or request adequate protection in the form of a replacement or additional Lien on such additional collateral and the First Lien Obligation holders will not object to or otherwise contest (and, as necessary will consent to) such adequate protection, so long as all such replacement or additional Liens are fully junior and subordinate both to the Liens securing the First Lien Obligations (and are subject to the terms of the New Intercreditor Agreement) and to the Liens securing the DIP financing;

(3) if the First Lien Obligation holders consent to a DIP financing, the Trustee and the holders of the 1.5 Lien Obligations will be deemed to have consented to, and will not object to, such DIP financing;

(4) prior to the Discharge of First Lien Obligations, without the prior written consent of the First Lien Agent, they will not seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Collateral or oppose any request by the First Lien Agent from relief from such stay;

(5) they will not contest, protest or object to any sale or other disposition of the Collateral consented to by the First Lien Agent in writing and shall be deemed to have consented to and released the Liens securing the 1.5 Lien Obligations (*provided* that (x) pursuant to a court order, the Liens securing the 1.5 Lien Obligations attach to the net proceeds from such disposition with the same priority and validity as the Liens held by the Collateral Agent on such Collateral, and the Liens remain subject to the New Intercreditor Agreement and (y) the net proceeds of such sale or other disposition of the Collateral in excess of those necessary to achieve Discharge of the First Lien Obligations are distributed in accordance with the New Intercreditor Agreement and as provided under applicable law);

(6) the 1.5 Lien Agent and the holders of the Notes and any Pari Passu Secured Debt may support any plan of reorganization in any Insolvency or Liquidation Proceedings; *provided* that (i) such plan provides for payment in full of First Lien Obligations, (ii) such plan and any filings, arguments or motions relating to such support are not adverse to the priority status, in accordance with the New Intercreditor Agreement, of the Liens securing the First Lien Obligations and the First Lien Secured Parties' rights to exercise remedies or (iii) such plan is approved by the holders of First Lien Obligations; and

(7) none of the Trustee, the Collateral Agent or any holder of 1.5 Lien Obligations may provide DIP financing to Arch Coal or any Guarantor.

Existing Intercreditor Agreement

On the Issue Date, Arch Coal, the Guarantors, the Collateral Agent and each First Lien Agent will enter into a joinder intercreditor agreement, (together with each joinder, supplement, document or agreement pursuant to which Pari Passu Secured Debt will be subject to the same terms and conditions, the "Existing Intercreditor Agreement"), which will establish the first-priority status of the First Priority Liens and the 1.5 Priority Liens relative to the Junior Priority Liens. The Existing Intercreditor Agreement will also impose certain other restrictions and agreements, including the restrictions and agreements described below. For purposes of the Existing Intercreditor Agreement only, the 1.5 Priority Liens and any Parri Passu Secured Debt will constitute First Priority Liens thereunder.

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(1) Pursuant to the Existing Intercreditor Agreement, the holders of the Junior Lien Obligations will agree that the First Lien Agent and the other First Lien Secured Parties (which, for purposes of that agreement, include the Collateral Agent and the holders of 1.5 Lien Obligations) have no fiduciary duties to them. The First Lien Agent agrees in the Existing Intercreditor Agreement to hold as a gratuitous agent for control and possession purposes, until the Discharge of First Lien Obligations, certain possessory collateral also for the benefit of the Trustee, the Collateral Agent, the holders of the 1.5 Lien Obligations and the holders of Junior Lien Obligations.

(2) In addition, the holders of the Junior Lien Obligations waive any claim against the First Lien Agent and the First Lien Lenders in connection with any actions they may take under the Amended and Restated Credit Agreement or with respect to the Collateral so long as such actions are in accordance with the terms of the Existing Intercreditor Agreement. They will further waive any right to assert, or request the benefit of, any marshalling or similar rights that may otherwise be available to them.

(3) The Existing Intercreditor Agreement will provide for the right of the holders of Junior Lien Obligations to exercise rights and remedies as unsecured creditors against Arch Coal or any Guarantor, subject to certain terms, conditions, waivers and limitations as more fully set forth in the Existing Intercreditor Agreement.

(4) Pursuant to the Existing Intercreditor Agreement and until the Discharge of First Lien Obligations, the holders of any Junior Lien Obligations, irrevocably constitute and appoint the First Lien Agent and any officer or agent of the First Lien Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place of the holders of any Junior Lien Obligations or in the First Lien Agent's own name, from time to time in the First Lien Agent's discretion, for the limited purpose of carrying out the terms the Intercreditor Agreement relating to the release of the Junior Priority Liens as permitted thereby, including releases upon sales due to enforcement of remedies or otherwise provided for in the Intercreditor Agreement, to take any and all appropriate action and to execute any and all releases, documents and instruments which may be necessary or desirable to accomplish the purposes of such section of the Existing Intercreditor Agreement, including any financing statements, mortgage releases, intellectual property releases, endorsements or other instruments or transfer or release of such liens.

(5) Notwithstanding (i) the time, manner, order or method of grant, creation, attachment or perfection, (ii) any conflict with applicable law, (iii) any defect, lapse, avoidance or ineffectiveness of any First Priority Liens (including 1.5 Priority Liens) or Junior Priority Liens, (iv) modification or refinancing of any First Lien Obligation or Junior Lien Obligation or any First Lien Document or Junior Lien Document, (v) the subordination of the First Priority Liens to a lien securing another obligation of Arch Coal or any Guarantor, (vi) the exchange of a security interest in any Collateral for security interest in other Collateral, (vii) the commencement of an Insolvency or Liquidation Proceeding or (viii) any other circumstance whatsoever, the First Priority Liens will rank senior to any Junior Priority Liens on the Collateral. The Collateral for the First Priority Liens, the 1.5 Priority Liens and the Junior Priority Liens will at all times be the same, except to the extent agreed in the First Lien Documents and Junior Lien Documents.

(6) The holders of any Junior Lien Obligations will agree that (i) in certain circumstances, the holders under the First Priority Liens will be required by the terms thereof to be repaid with proceeds of dispositions of Collateral prior to repayment of the Junior Lien Obligations (subject to certain reinvestment provisions) and (ii) they will not accept payments from such dispositions of Collateral until applied to repayment of the First Priority Liens as so required. The holders of Junior Lien Obligations will agree that if they receive payments at any time from the Collateral in contravention of the Existing Intercreditor Agreement, they will promptly turn such payments over to First Lien Obligation holders (through the First Lien Agent).

In addition, if Arch Coal or any Guarantor is subject to any Insolvency or Liquidation Proceeding, the holders of any Junior Lien Obligations will agree that:

(1) they will not contest, protest or object to and will be deemed to have consented to Arch Coal’s or such Guarantor’s use of cash collateral if the holders of First Lien Obligations consent to such usage;

(2) they shall not seek or require Arch Coal or any Guarantor to provide any adequate protection, or accept any such adequate protection, for Junior Lien Obligations except that if, in connection with the use of Collateral constituting cash collateral by Arch Coal and the Guarantors or debtor-in-possession (“DIP”) financing provided to the Issuer and the Guarantors, the First Lien Obligation holders are granted adequate protection in the form of additional collateral, then the holders of Junior Lien Obligations may seek or request adequate protection in the form of a replacement or additional Lien on such additional collateral and the First Lien Obligation holders will not object to or otherwise contest (and, as necessary will consent to) such adequate protection, so long as all such replacement or additional Liens are fully junior and subordinate both to the Liens securing the First Lien Obligations (and are subject to the terms of the Existing Intercreditor Agreement) and to the Liens securing the DIP financing;

(3) if the First Lien Obligation holders consent to a DIP financing, the holders of the Junior Lien Obligations will be deemed to have consented to, and will not object to, such DIP financing;

(4) prior to the Discharge of First Lien Obligations, without the prior written consent of the First Lien Agent, they will not seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Collateral or oppose any request by the First Lien Agent from relief from such stay;

(5) they will not contest, protest or object to any sale or other disposition of the Collateral consented to by the First Lien Agent in writing and shall be deemed to have consented to and released the Liens securing the Junior Lien Obligations (*provided* that (x) pursuant to a court order, the Liens securing the Junior Lien Obligations attach to the net proceeds from such disposition with the same priority and validity as the Liens held by the holders of Junior Lien Obligations on such Collateral, and the Liens remain subject to the Existing Intercreditor Agreement and (y) the net proceeds of such sale or other disposition of the Collateral in excess of those necessary to achieve Discharge of First Lien Obligations are distributed in accordance with the Existing Intercreditor Agreement and as provided under applicable law);

(6) the Collateral Agent and any holder of any Junior Lien Obligations may support any plan of reorganization in any Insolvency or Liquidation Proceeding; *provided* that (i) such plan provides for payment in full of First Lien Obligations, (ii) such plan and any filings, arguments or motions relating to such support are not adverse to the priority status, in accordance with the New Intercreditor Agreement, of the Liens securing the First Lien Obligations and the First Lien Secured Parties’ rights to exercise remedies or (iii) such plan is approved by the holders of First Lien Obligations; and

(7) no holder of Junior Lien Obligations may provide DIP financing to Arch Coal or any Guarantor.

No Impairment of the Security Interests

Except as otherwise set forth herein, neither Arch Coal nor any of the Guarantors will be permitted to take any action, or knowingly omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Trustee, the Collateral Agent and the Holders of the Notes.

Further Assurances

Subject to the limitations described above under the caption “—General” and other exceptions and qualifications set forth herein, the Security Documents and the Indenture will provide that Arch Coal and the Guarantors will, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may

be necessary or proper to evidence, perfect, maintain and enforce the 1.5 Priority Liens in the Collateral granted to the Collateral Agent and the priority thereof, and to otherwise effectuate the provisions or purposes of the Indenture and the Security Documents.

Optional Redemption

Except as set forth in the following two paragraphs, the Notes will not be redeemable at the option of Arch Coal prior to August 15, 2018. Starting on that date, Arch Coal may redeem all or any portion of the Notes, at once or over time, upon not less than 30 nor more than 60 days’ prior notice. The Notes may be redeemed at the redemption prices set forth below, plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest, if any, due on the relevant interest payment date). The following prices are for Notes redeemed during the 12-month period commencing on August 15 of the years set forth below, and are expressed as percentages of principal amount:

Year	Redemption Price
2018	104.00%
2019	102.00%
2020 and thereafter	100.00%

In addition, at any time and from time to time, prior to August 15, 2018, on one or more occasions, Arch Coal may redeem an aggregate principal amount of Notes not to exceed 35% of the aggregate principal amount of the Notes (calculated giving effect to any issuance of Additional Notes) with the proceeds of one or more Equity Offerings, at a redemption price equal to 108.00% of the principal amount thereof, plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that after giving effect to any such redemption, at least 65% of the aggregate principal amount of the Notes (calculated giving effect to any issuance of Additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding any Notes held by Arch Coal or any of its Subsidiaries). Any such redemption shall be made within 90 days after the date of the closing of such Equity Offering.

At any time prior to August 15, 2018, Arch Coal may, at its option, on one or more occasions redeem all or any portion of the Notes, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of the date of redemption, and, without duplication, accrued and unpaid interest, if any, to the redemption date (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Sinking Fund; Open Market Purchases

There will be no mandatory redemption or sinking fund payments for the Notes. Arch Coal may at any time and from time to time purchase Notes in the open market or otherwise.

Repurchase at the Option of Holders Upon a Change of Control

Upon the occurrence of a Change of Control, unless Arch Coal has previously or concurrently mailed a redemption notice with respect to all outstanding Notes as described under "—Optional Redemption," each Holder of Notes shall have the right to require Arch Coal to repurchase all or any part of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at a purchase price (the "Change of Control Purchase Price") equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). If the repurchase date is after a record date and on or before the relevant interest payment date, accrued and unpaid interest, if any, will be paid to the person or entity in whose name the Note is registered at the close of business on that record date, and no additional interest will be payable to Holders whose Notes shall be subject to repurchase.

Within 30 days following any Change of Control, Arch Coal shall:

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(a) cause a notice of the Change of Control Offer to be sent at least once to the Dow Jones News Service or similar business news service in the United States; and

(b) send or cause to be sent, by first-class mail, with a copy to the Trustee, to each Holder of Notes, at such Holder's address appearing in the Security Register, a notice stating:

(1) that a Change of Control has occurred and a Change of Control Offer is being made pursuant to the covenant entitled "Repurchase at the Option of Holders Upon a Change of Control" and that all Notes properly tendered will be accepted for payment;

(2) the Change of Control Purchase Price and the repurchase date, which shall be, subject to any contrary requirements of applicable law, a business day no earlier than 30 days nor later than 60 days from the date such notice is mailed; and

(3) the procedures that Holders of Notes must follow in order to tender their Notes (or portions thereof) for payment, and the procedures that Holders of Notes must follow in order to withdraw an election to tender Notes (or portions thereof) for payment.

Arch Coal will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by Arch Coal and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

With respect to the Notes, if Holders of not less than 95% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and Arch Coal, or any third party making a Change of Control Offer in lieu of Arch Coal as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, Arch Coal or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to the applicable Change of Control Purchase Price plus, to the extent not included in the Change of Control Purchase Price, accrued and unpaid interest, if any, thereon, to the date of redemption.

Arch Coal will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, Arch Coal will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of such compliance.

Arch Coal has no present intention to engage in a transaction involving a Change of Control, although it is possible that it could decide to do so in the future. Subject to certain covenants described below, Arch Coal could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of debt outstanding at such time or otherwise affect its capital structure or credit ratings.

The definition of Change of Control includes a phrase relating to the sale, transfer, assignment, lease, conveyance or other disposition of "all or substantially all" of the Property of Arch Coal and its Restricted Subsidiaries, considered as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, if Arch Coal and its Restricted Subsidiaries, considered as a whole, dispose of less than all of this Property by any of the means described above, the ability of a Holder of Notes to require Arch Coal to repurchase its Notes may be uncertain. In such a case, Holders of the Notes may not be able to resolve this uncertainty without resorting to legal action. In addition, Holders of Notes may not be entitled to require

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Arch Coal to repurchase their Notes in certain circumstances involving a significant change in the composition of the Board of Directors of Arch Coal, including in connection with a proxy contest, where Arch Coal's Board of Directors does not endorse a dissident slate of directors but approves them for purposes of the Indenture.

The Amended and Restated Credit Agreement provides that the debt thereunder be repaid upon the occurrence of certain events that would constitute a change of control thereunder. Future Debt of Arch Coal may contain similar provisions. In addition, Arch Coal's ability to pay cash to Holders of Notes upon a repurchase may be limited by Arch Coal's then existing financial resources. Arch Coal cannot assure you that sufficient funds will be available when necessary to make any required repurchases. Arch Coal's failure to repurchase Notes in connection with a Change of Control would result in a default under the Indenture. Such a default could, in turn, constitute a default under other debt of Arch Coal and its Subsidiaries. Arch Coal's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified at any time prior to the occurrence of such Change of Control with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes. See "—Amendments and Waivers."

Certain Covenants

Covenant Termination. Set forth below are summaries of certain covenants that will be contained in the Indenture. Upon the first date (such date, the "Termination Date") that:

- (a) the Notes have Investment Grade Ratings from both Rating Agencies; and
- (b) no Default or Event of Default has occurred and is continuing under the Indenture,

Arch Coal and its Restricted Subsidiaries will cease to be subject to the following provisions of the Indenture:

- "—Limitation on Debt;"
- "—Limitation on Restricted Payments;"
- "—Limitation on Asset Sales;"
- "—Limitation on Restrictions on Distributions from Restricted Subsidiaries;"
- "—Limitation on Transactions with Affiliates;"
- "—Designation of Restricted and Unrestricted Subsidiaries;" and
- clause (d) of the first paragraph of "—Merger, Consolidation and Sale of Property."

In addition, upon the Termination Date, the 1.5 Priority Liens securing the Obligations under the Notes and the Indenture will be released.

As a result, the Notes will be entitled to substantially less protection from and after the date of termination of the covenants.

Limitation on Debt. Arch Coal shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Debt unless, after giving effect to the application of the proceeds thereof, no Default or Event of Default would occur as a consequence of such Incurrence or be continuing following such Incurrence and either:

- (1) such Debt is Debt of Arch Coal or a Guarantor, and, after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, Consolidated Interest Coverage Ratio of Arch Coal would be at least 2.0 to 1.0, or

- (2) such Debt is Permitted Debt.

The term "Permitted Debt" is defined to include the following:

(a) Debt under Credit Facilities (including (i) the Notes issued on the Issue Date, (ii) the Arch Coal Secured Notes and (iii) the Incurrence of Guarantees of any Credit Facilities issued hereunder) in an aggregate principal amount at any one time outstanding pursuant to this clause (a) not to exceed the greater of (i) \$3,000.0 million, less the aggregate amount of all Net Available Cash from Asset Sales applied by Arch Coal or any Restricted Subsidiary to Repay any such Debt pursuant to the covenant described below under the caption "—Limitation on Asset Sales" and (ii) an amount equal to 3.0 times Arch Coal's EBITDA with respect to Arch Coal's most recent four full fiscal quarters for which internal financial statements of Arch Coal are available, calculated on a pro forma basis consistent with the definition of Consolidated Interest Coverage Ratio;

- (b) [reserved]

(c) Debt of Arch Coal or a Restricted Subsidiary in respect of Capital Lease Obligations and Purchase Money Debt; *provided* that the aggregate principal amount of all Debt Incurred and then outstanding pursuant to this clause (c) (together with all Permitted Refinancing Debt Incurred and then outstanding in respect of Debt previously Incurred pursuant to this clause (c)) does not exceed, at any one time outstanding, the greater of (x) \$750.0 million and (y) 7.5% of Consolidated Net Tangible Assets;

(d) Debt of Arch Coal owing to and held by any Restricted Subsidiary and Debt of a Restricted Subsidiary owing to and held by Arch Coal or any Restricted Subsidiary; *provided, however*, that any subsequent issue or transfer of Capital Stock that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Debt (except to Arch Coal or a Restricted Subsidiary or any pledge of such Debt constituting a Permitted Lien) shall be deemed, in each case, to constitute the Incurrence of such Debt by the issuer thereof;

- (e) Debt under Interest Rate Agreements entered into by Arch Coal or a Restricted Subsidiary in the ordinary course of business;

- (f) Debt under Currency Exchange Protection Agreements entered into by Arch Coal or a Restricted Subsidiary in the ordinary course of business;
- (g) Debt under Commodity Price Protection Agreements entered into by Arch Coal or a Restricted Subsidiary in the ordinary course of business;
- (h) Debt in connection with one or more standby letters of credit, performance bonds, bid bonds, appeal bonds, bankers acceptances, insurance obligations, surety bonds, completion guarantees or other similar bonds and obligations, including self-bonding arrangements, issued by Arch Coal or a Restricted Subsidiary in the ordinary course of business or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances;
- (i) Debt of Arch Coal or any Restricted Subsidiary under one or more unsecured commercial paper facilities in an aggregate amount pursuant to this clause (i) (including all Permitted Refinancing Debt Incurred and then outstanding in respect of Debt previously Incurred pursuant to this clause (i)) not to exceed \$150.0 million at any one time outstanding;
- (j) Debt of Arch Coal or a Restricted Subsidiary outstanding on the Issue Date not otherwise described in clauses (a) through (i) above or (k) through (r) below, including the Arch Coal Senior Notes and the related Guarantees thereof;
- (k) other Debt of Arch Coal or any Restricted Subsidiary in an aggregate principal amount outstanding at any one time not to exceed the greater of (1) \$500.0 million and (2) 5.0% of Consolidated Net Tangible Assets;

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- (l) Permitted Refinancing Debt Incurred in respect of Debt Incurred pursuant to clause (1) of the first paragraph of this covenant and clauses (c), (i), (j), and this clause (l);
- (m) Debt consisting of installment payment obligations owed to any governmental agency in connection with the acquisition of coal leases or oil, gas or other real property interests in the ordinary course of business;
- (n) Debt Incurred by Arch Coal or any of its Restricted Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or guarantees or letters of credit, surety bonds or performance bonds securing any obligations of Arch Coal or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary (other than Guarantees of Debt Incurred by any Person acquiring all or any portion of such business, assets or Capital Stock of a Restricted Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds actually received by Arch Coal or any Restricted Subsidiary thereof in connection with such disposition;
- (o) Debt Incurred by Arch Coal or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided, however*, that such Debt is extinguished within five business days of its Incurrence;
- (p) Debt Incurred by Arch Coal to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes;
- (q) Debt of a Receivables Subsidiary in respect of a Receivables Facility, which is non-recourse to Arch Coal or any other Restricted Subsidiary in any way other than Standard Securitization Undertakings;
- (r) Debt of Persons that are acquired by Arch Coal or any of its Restricted Subsidiaries or merged into a Restricted Subsidiary in accordance with the terms of the Indenture; *provided, however*, that such Debt is not Incurred in contemplation of such acquisition or merger or to provide all or a portion of the funds or credit support required to consummate such acquisition or merger; *provided further*, that, after giving effect to such acquisition and the Incurrence of such Debt, (x) Arch Coal would be permitted to Incur at least \$1.00 of additional Debt pursuant to clause (1) of the first paragraph of this covenant or (y) the Consolidated Interest Coverage Ratio of Arch Coal and its Restricted Subsidiaries would be equal to or greater than immediately prior to such acquisition or merger; or
- (s) Debt of Foreign Subsidiaries of Arch Coal in an aggregate principal amount outstanding at any one time not to exceed the greater of (1) \$500.0 million and (2) 5.0% of Consolidated Net Tangible Assets.

Notwithstanding anything to the contrary contained in this covenant, accrual of interest, accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Debt, will be deemed not to be an Incurrence of Debt for purposes of this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Debt is Incurred to refinance other Debt denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Debt does not exceed the principal amount of such Debt being refinanced, plus the amount of any reasonable premium

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(including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Debt.

The principal amount of any Debt Incurred to refinance other Debt, if Incurred in a different currency from the Debt being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Debt is denominated that is in effect on the date of such refinancing.

For purposes of determining compliance with this covenant in the event that an item of Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (a) through (s) above or is entitled to be incurred pursuant to clause (1) of the first paragraph of this covenant, Arch Coal shall, in its sole discretion, classify, and may later reclassify, such item of Debt in any manner that complies with this covenant. Notwithstanding the foregoing, Debt under the Amended and Restated Credit Agreement and the Notes, in each case outstanding on the Issue Date, will be deemed to have been Incurred on such date in reliance on the exception provided by clause (a) of the definition of Permitted Debt.

Limitation on Restricted Payments. Arch Coal shall not make, and shall not permit any Restricted Subsidiary to make, directly or indirectly, any Restricted Payment if at the time of, and after giving effect to, such proposed Restricted Payment,

(a) a Default or Event of Default shall have occurred and be continuing;

(b) Arch Coal could not Incur at least \$1.00 of additional Debt pursuant to clause (1) of the first paragraph of the covenant described under “— Limitation on Debt;” or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made since the Second Lien Issue Date (the amount of any Restricted Payment, if made other than in cash, to be based upon Fair Market Value at the time of such Restricted Payment) would exceed an amount equal to the sum of:

(1) 50% of the aggregate amount of Consolidated Net Income of Arch Coal accrued during the period (treated as one accounting period) from October 1, 2013 to the end of the most recent fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or if the aggregate amount of Consolidated Net Income of Arch Coal for such period shall be a deficit, minus 100% of such deficit), plus

(2) 100% of the Capital Stock Sale Proceeds, plus

(3) the sum of:

(A) the aggregate net cash proceeds received by Arch Coal or any Restricted Subsidiary from the issuance or sale after the Second Lien Issue Date of convertible or exchangeable Debt that has been converted into or exchanged for Capital Stock (other than Disqualified Stock) of Arch Coal, and

(B) the aggregate net cash proceeds received by Arch Coal from the issuance and sale after the Second Lien Issue Date of Debt of Arch Coal or any Restricted Subsidiary that has been converted or exchanged for Capital Stock (other than Disqualified Stock) of Arch Coal, excluding, in the case of clause (A) or (B):

(x) any such Debt issued or sold to Arch Coal or a Subsidiary of Arch Coal or an employee stock ownership plan or trust established by Arch Coal or any such Subsidiary for the benefit of their employees, and

(y) the aggregate amount of any cash or other Property distributed by Arch Coal or any Restricted Subsidiary upon any such conversion or exchange;

plus

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(4) an amount equal to the sum of:

(A) the net reduction in Investments in any Person other than Arch Coal or a Restricted Subsidiary resulting from dividends, repayments of loans or advances or other transfers of Property, in each case to Arch Coal or any Restricted Subsidiary from such Person, and

(B) the portion (proportionate to Arch Coal’s equity interest in such Unrestricted Subsidiary) of the Fair Market Value of the net assets of an Unrestricted Subsidiary of Arch Coal at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary;

provided, however, that the foregoing sum shall not exceed, in the case of any Person, the amount of Investments previously made (and treated as a Restricted Payment) by Arch Coal or any Restricted Subsidiary in such Person.

Notwithstanding the foregoing limitation, Arch Coal may:

(a) pay dividends on its Capital Stock within 60 days of the declaration thereof if, on the declaration date, such dividends could have been paid in compliance with the Indenture; *provided, however*, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(b) make Restricted Payments in exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of Arch Coal (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of Arch Coal or an employee stock ownership plan or trust established by Arch Coal or any such Subsidiary for the benefit of their employees); *provided, however*, that

(1) such purchase, repurchase, redemption, legal defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments, and

(2) the Capital Stock Sale Proceeds from such exchange or sale shall be excluded from the calculation pursuant to clause (c) (2) above;

(c) purchase, repurchase, redeem, legally defease, acquire or retire for value any Subordinated Obligations in exchange for, or out of the proceeds of the substantially concurrent sale of, Permitted Refinancing Debt; *provided, however*, that such purchase, repurchase, redemption, legal defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments;

(d) repurchase shares of, or options to purchase shares of, common stock of Arch Coal or any of its Subsidiaries from current or former officers, directors or employees of Arch Coal or any of its Subsidiaries (or permitted transferees of such current or former officers, directors or employees), pursuant to the terms of agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell, or are granted the option to purchase or sell, shares of such common stock; *provided, however*, that: (1) the aggregate amount of such repurchases shall not exceed \$10.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding years subject to a maximum of \$20.0 million in any calendar year) and (2) at the time of such repurchase, no other Default or Event of Default shall have occurred and be continuing (or result therefrom); *provided further, however*, that such repurchases shall be included in the calculation of the amount of Restricted Payments;

(e) pay cash in lieu of fractional Capital Stock pursuant to the exchange or conversion of any exchangeable or convertible securities; *provided, however*, that such payment shall not be for the purpose of evading the limitation of this covenant (as determined by the Board of Directors in good faith); *provided further, however*, that such payments will be excluded in the calculation of the amount of Restricted Payments;

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(f) repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or other securities convertible into or exchangeable for Capital Stock of Arch Coal to the extent that such Capital Stock represents all or a portion of the exercise price thereof; *provided, however*, that such repurchase will be excluded in the calculation of the amount of Restricted Payments;

(g) declare and pay dividends to holders of any class or series of Disqualified Stock of Arch Coal or any Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, in each case issued in accordance with the covenant described under “—Limitation on Debt”; *provided, however*, that 50% of such dividends shall be included in the calculation of the amount of Restricted Payments;

(h) declare and pay dividends on Arch Coal’s common stock not to exceed the greater of (1) an annual rate of \$0.60 per share (such amount to be appropriately adjusted to reflect any stock split, reverse stock split, stock dividend or similar transaction occurring after the Second Lien Issue Date so that the aggregate amount of dividends permitted after such transaction is the same as the amount permitted immediately prior to such transaction), and (2) \$150.0 million per full calendar year (in each case of clause (1) and (2) prorated for 2013 from the Second Lien Issue Date); *provided however* that any unused amounts in any calendar year may be carried over for the next succeeding calendar; *provided further*, that such dividends shall be excluded in the calculation of the amount of Restricted Payments; and

(i) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed \$400.0 million; *provided, however*, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments.

For purposes of determining compliance with this covenant, if a Restricted Payment meets the criteria of more than one of the types of Restricted Payments described in clauses (a) through

(i) above, Arch Coal may, in its sole discretion, classify such Restricted Payment in any manner that complies with this covenant.

Limitation on Liens. Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, Incur or suffer to exist, any Lien (other than Permitted Liens) upon any of its Property (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, or any interest therein or any income or profits therefrom; *provided* that Arch Coal and its Restricted Subsidiaries may Incur or suffer to exist, any Lien (in addition to Permitted Liens) upon any of its Property (including Capital Stock of a Restricted Subsidiary) that is not Collateral if it has made or will make effective provision whereby the Notes or any Note Guarantee will be secured by such Lien equally and ratably with all other Debt of Arch Coal or any Restricted Subsidiary secured by such Lien for so long as such other Debt is secured by such Lien; *provided, however*, that if such Debt is expressly subordinated to the Notes or any Note Guarantee, the Lien securing such Debt will be subordinated and junior to the Lien securing the Notes or such Note Guarantee, as the case may be, with the same relative priority as such Debt has with respect to the Notes or such Note Guarantee.

Limitation on Asset Sales. Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Sale unless:

(a) Arch Coal or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the Property subject to such Asset Sale (such Fair Market Value to be determined at the time of contractually agreeing to such Asset Sale);

(b) at least 75% of the consideration paid to Arch Coal or such Restricted Subsidiary in connection with such Asset Sale is in the form of cash, Cash Equivalents or Additional Assets or a combination thereof. For purposes of this provision, each of the following will be deemed to be cash:

(i) any liabilities of Arch Coal or any Restricted Subsidiary (other than contingent liabilities, liabilities that are by their terms subordinated to the Notes or the Note Guarantees and liabilities to the extent owed to Arch Coal or any Subsidiary of Arch Coal) that are assumed by the transferee

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of any Property or Capital Stock, as applicable, to the extent that Arch Coal and the Restricted Subsidiaries are no longer obligated with respect to such liabilities; and

(ii) any securities, notes or other obligations received by Arch Coal or any such Restricted Subsidiary from such transferee that are converted by Arch Coal or such Restricted Subsidiary into cash within 180 days of receipt (to the extent of the cash received in that conversion); and

(c) if such Asset Sale involves the disposition of Collateral, Arch Coal or such Guarantor (or the Restricted Subsidiary, as the case may be) has complied with the provisions of the Indenture and the Security Documents.

The Net Available Cash (or any portion thereof) from Asset Sales other than a sale of Collateral may be applied by Arch Coal or a Restricted Subsidiary to the extent Arch Coal or such Restricted Subsidiary elects (or is required by the terms of any Debt) to:

(a) Repay any secured Debt (other than Subordinated Obligations) of Arch Coal or any Restricted Subsidiary, any Debt of a Restricted Subsidiary that is not a Guarantor (other than Debt owed to Arch Coal or another Restricted Subsidiary) or any Debt under the Amended and Restated Credit Agreement;

(b) make a capital expenditure or reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Arch Coal or another Restricted Subsidiary); or

(c) Repay other Pari Passu Debt; *provided* that Arch Coal shall also equally and ratably reduce Debt under the Notes through open-market purchases or by making an offer (in accordance with the procedures set forth below for a Prepayment Offer) to all Holders to purchase the *pro rata* principal amount of Notes, in each case at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Net Available Cash (or any portion thereof) from Asset Sales that constitute the sale of Collateral may be applied by Arch Coal or a Restricted Subsidiary to the extent Arch Coal or such Restricted Subsidiary elects (or is required by the terms of any Debt) to:

(a) repay First Lien Obligations; or

(b) make a capital expenditure or reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by Arch Coal or another Restricted Subsidiary); *provided* that such Additional Assets are pledged as Collateral under the Security Documents in the manner required under the Security Document.

Any Net Available Cash from an Asset Sale (other than an Asset Sale consisting of all of the Capital Stock of Mountain Coal Company, LLC) not applied in accordance with the preceding two paragraphs within 365 days from the date of the receipt of such Net Available Cash or that is not segregated from the general funds of Arch Coal for investment in identified Additional Assets in respect of a project that shall have been commenced, and for which binding contractual commitments have been entered into, prior to the end of such 365-day period and that shall not have been completed or abandoned shall constitute "Excess Proceeds;" *provided, however*, that the amount of any Net Available Cash that ceases to be so segregated as contemplated above and any Net Available Cash that is segregated in respect of a project that is abandoned or completed shall also constitute "Excess Proceeds" at the time any such Net Available Cash ceases to be so segregated or at the time the relevant project is so abandoned or completed, as applicable; *provided further, however*, that the amount of any Net Available Cash that continues to be segregated for investment and that is not actually reinvested within twenty-four months from the date of the receipt of such Net Available Cash shall also constitute "Excess Proceeds." Any Net Available Cash from an Asset Sale consisting of all of the Capital Stock of Mountain Coal Company, L.L.C. not applied in accordance with the preceding paragraph within 365 days from the date of the receipt of such Net Available Cash shall be

segregated from the general funds of Arch Coal and invested in cash or Cash Equivalents pending application in accordance with the preceding paragraph. Subject to the foregoing, Arch Coal or such Restricted Subsidiary may apply the Net Available Cash to temporarily reduce Debt outstanding under a revolving credit facility or otherwise invest such Net Available Cash in any manner not prohibited by the Amended and Restated Credit Agreement pending the final application of the Net Available Cash pursuant to this covenant.

When the aggregate amount of Excess Proceeds exceeds \$50.0 million (or earlier at Arch Coal's option, in which case Excess Proceeds shall be deemed to include any Net Available Cash Arch Coal elects to include in such repurchase offer), Arch Coal will be required to make an offer to repurchase (the "Prepayment Offer") the Notes, and (a) in the case of Net Available Cash from Collateral, to the holders of any other Pari Passu Secured Debt containing provisions similar to those set forth in the Indenture with respect to asset sales or (b) in the case of any other Net Available Cash, to all holders of other Pari Passu Debt containing provisions similar to those set forth in the Indenture with respect to asset sales, in each case, which offer shall be in the amount of the Excess Proceeds, on a *pro rata* basis according to principal amount, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. To the extent that any portion of the amount of Net Available Cash remains after compliance with the preceding sentence and *provided* that all Holders of Notes have been given the opportunity to tender their Notes for repurchase in accordance with the Indenture, Arch Coal or such Restricted Subsidiary may use such remaining amount for any purpose not prohibited by the Indenture, and the amount of Excess Proceeds will be reset to zero.

Within five business days after Arch Coal is obligated to make a Prepayment Offer as described in the preceding paragraph, Arch Coal shall send or arrange to be sent a written notice, by first-class mail, to the Holders of Notes, accompanied by such information regarding Arch Coal and its Subsidiaries as Arch Coal in good faith believes will enable such Holders to make an informed decision with respect to such Prepayment Offer. Such notice shall state, among other things, the purchase price and the repurchase date, which shall be, subject to any contrary requirements of applicable law, a business day no earlier than 30 days nor later than 60 days from the date such notice is mailed.

Arch Coal will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, Arch Coal will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of such compliance.

The Amended and Restated Credit Agreement currently limits Arch Coal from purchasing any Notes, and also provides that certain asset sale events with respect to Arch Coal would constitute a default under the Amended and Restated Credit Agreement. Any future credit agreements or other agreements to which Arch Coal becomes a party may contain similar restrictions and provisions. In the event an Asset Sale occurs at a time when Arch Coal is prohibited from purchasing Notes, Arch Coal could seek the consent of its senior lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If Arch Coal does not obtain such a consent or repay such borrowings, Arch Coal will remain prohibited from purchasing Notes. In

such case, Arch Coal's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which would, in turn, constitute a default under such other agreements.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist any consensual restriction on the right of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock, or pay any Debt or other obligation owed, to Arch Coal or any other Restricted Subsidiary;

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(b) make any loans or advances to Arch Coal or any other Restricted Subsidiary; or

(c) transfer any of its Property to Arch Coal or any other Restricted Subsidiary.

The foregoing limitations will not apply:

(1) with respect to clauses (a), (b) and (c), to restrictions:

(A) in effect on the Issue Date (including, without limitation, restrictions pursuant to the Arch Coal Senior Notes and each of the Arch Coal Senior Notes Indentures, the Arch Coal Secured Notes and each of the Arch Coal Secured Notes Indentures, the Amended and Restated Credit Agreement, the Notes and the Indenture);

(B) relating to any agreement or other instrument of a Restricted Subsidiary of Arch Coal and existing at the time it became a Restricted Subsidiary if such restriction was not created in connection with or in anticipation of the transaction or series of transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by Arch Coal;

(C) that result from any amendment, restatement, renewal, replacement or refinancing of an agreement referred to in clause (1) (A) or (B) above or in clause (2) (A) or (B) below, *provided* such restrictions are not materially more restrictive, taken as a whole, than those under the agreement being amended, restated, renewed, refinanced or replaced;

(D) existing under, or by reason of or with respect to applicable law, rule, regulation or order of any governmental authority;

(E) on cash or other deposits or net worth imposed by customers or required by insurance surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(F) relating to Debt of a Receivables Subsidiary or other contractual requirements of a Receivables Subsidiary in connection with a Receivables Facility; *provided* that such restrictions only apply to such Receivables Subsidiary or the receivables which are subject to the Receivables Facility;

(G) with respect to any Person or the Property of a Person acquired by Arch Coal or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in anticipation of such acquisition, which restriction is not applicable to any Person or the Property of any Person, other than the Person, or the Property of the Person, so acquired and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, *provided* that the restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, than those in effect on the date of the acquisition;

(H) contained in customary provisions in asset sale agreements limiting the transfer of such Property or distributions or loans from the Property to be sold pending the closing of such sale;

(I) contained in customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements that restrict the transfer of ownership interest in, or assets of, such partnership, limited liability company, joint venture or similar Person; and

(J) contained in agreements or instruments governing the Debt of a Restricted Subsidiary; *provided* that such restrictions contained in any agreement or instrument will not materially affect Arch Coal's ability to make anticipated principal or interest payments on the Notes (as determined in good faith by the Board of Directors or the senior management of Arch Coal); and

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(2) with respect to clause (c) only, to restrictions:

(A) relating to Debt that is permitted to be Incurred and secured without also securing the Notes pursuant to the covenants described under "—Limitation on Debt" and "—Limitation on Liens" that limit the right of the debtor to dispose of the Property securing such Debt;

(B) resulting from customary provisions restricting subletting, assignment or transfer of any property or asset that is subject to a lease, license, sub-license or similar contract or customary provisions in other agreements that restrict assignment or transfer of such agreements or rights thereunder; or

(C) customary restrictions contained in asset sale agreements limiting the transfer of such Property pending the closing of such sale.

Limitation on Transactions with Affiliates. Arch Coal shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of transactions (including the purchase, sale, transfer, assignment, lease, conveyance or exchange of any Property or

the rendering of any service) with, or for the benefit of, any Affiliate of Arch Coal (an "Affiliate Transaction") involving consideration in excess of \$15.0 million, unless:

- (a) the terms of such Affiliate Transaction are not materially less favorable to Arch Coal or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate of Arch Coal;
- (b) if such Affiliate Transaction involves aggregate payments or value in excess of \$50.0 million, the Board of Directors approves such Affiliate Transaction and, in its good faith judgment, believes that such Affiliate Transaction complies with clauses (a) of this paragraph as evidenced by a Board Resolution promptly delivered to the Trustee; and
- (c) if such Affiliate Transaction involves aggregate payments or value in excess of \$250.0 million, Arch Coal obtains a written opinion from an Independent Financial Advisor to the effect that the consideration to be paid or received in connection with such Affiliate Transaction is fair, from a financial point of view, to Arch Coal or such Restricted Subsidiary or that such Affiliate Transaction is not materially less favorable to Arch Coal or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of Arch Coal.

Notwithstanding the foregoing limitation, Arch Coal or any Restricted Subsidiary may enter into or suffer to exist the following:

- (a) any transaction or series of transactions between Arch Coal and one or more Restricted Subsidiaries, or among Restricted Subsidiaries;
- (b) any Restricted Payment permitted to be made pursuant to the covenant described under "—Limitation on Restricted Payments" or Permitted Investments (other than pursuant to clause (b) or (c) of such definition);
- (c) any reasonable and customary employment, consulting, service or termination agreement, or indemnification agreement, entered into by Arch Coal or any of its Restricted Subsidiaries with officers, directors, employees and consultants of Arch Coal or any of its Restricted Subsidiaries and the payment of fees or compensation (including amounts paid pursuant to employment and related agreements and employee benefit plans) for the personal services of current or former officers, directors, employees and consultants of Arch Coal or any of its Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option, stock awards or similar plans);

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- (d) loans and advances to employees made in the ordinary course of business permitted by law and consistent with the past practices of Arch Coal or such Restricted Subsidiary;
 - (e) indemnities of officers, directors and employees of Arch Coal or any Restricted Subsidiary consistent with applicable charter, bylaw or statutory provisions;
 - (f) agreements in effect on the Issue Date and any modifications, extensions or renewals thereto that are not materially less favorable taken as a whole to Arch Coal or any Restricted Subsidiary than such agreements as in effect on the Issue Date;
 - (g) pledges of Capital Stock of Unrestricted Subsidiaries for the benefit of lenders to such Unrestricted Subsidiaries;
 - (h) any transaction with a Receivables Subsidiary as part of a Receivables Facility and otherwise in compliance with the Indenture that are fair to Arch Coal or its Restricted Subsidiaries or not less favorable to Arch Coal or its Restricted Subsidiaries than those that might be obtained at the time with Persons that are not Affiliates of Arch Coal (as determined in good faith by the Board of Directors); and
 - (i) transactions with Unrestricted Subsidiaries, customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, or lessors or lessees of property, in each case in the ordinary course of business (including, without limitation, pursuant to joint venture agreements) and otherwise in compliance with the terms of the Indenture which are, in the aggregate (taking into account all the costs and benefits associated with such transactions), materially no less favorable taken as a whole to Arch Coal or its Restricted Subsidiaries than those that would have been obtained in a comparable transaction by Arch Coal or such Restricted Subsidiary with an unrelated Person, as determined in good faith by Arch Coal.

Designation of Restricted and Unrestricted Subsidiaries. The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation (which would constitute an Investment in such Subsidiary) would not result in a breach of the covenant described under "—Limitation on Restricted Payments" or otherwise cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by Arch Coal and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation as set forth under the definition of "Investment" and will reduce the amount available for Restricted Payments under the "—Limitation on Restricted Payments" covenant or Permitted Investments, as determined by Arch Coal. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

The Board of Directors may also designate any Subsidiary of Arch Coal to be an Unrestricted Subsidiary if:

- (a) the Subsidiary to be so designated does not own any Capital Stock or Debt of, or own or hold any Lien on any Property of, Arch Coal or any other Restricted Subsidiary and is not required to be a Guarantor pursuant to the Indenture; and
- (b) either:
 - (1) the Subsidiary to be so designated has total assets of \$1.0 million or less; or
 - (2) such designation is effective immediately upon such entity becoming a Subsidiary of Arch Coal.

Unless so designated as an Unrestricted Subsidiary, any Person that becomes a Subsidiary of Arch Coal will be classified as a Restricted Subsidiary; *provided, however*, that such Subsidiary shall not be designated a Restricted Subsidiary and shall be automatically classified as an Unrestricted Subsidiary if

either of the requirements set forth in clauses (x) and (y) of the second immediately following paragraph will not be satisfied after giving *pro forma* effect to such classification or if such Person is a Subsidiary of an Unrestricted Subsidiary.

In addition, neither Arch Coal nor any of its Restricted Subsidiaries shall at any time be directly or indirectly liable for any Debt that provides that the holder thereof may (with the passage of time or notice or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its Stated Maturity upon the occurrence of a default with respect to any Debt, Lien or other obligation of any Unrestricted Subsidiary (including any right to take enforcement action against such Unrestricted Subsidiary) except for a pledge of the Capital Stock of any Unrestricted Subsidiary for the benefit of such holders.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary if, immediately after giving *pro forma* effect to such designation,

(x) Arch Coal could Incur at least \$1.00 of additional Debt pursuant to clause (1) of the first paragraph of the covenant described under “—Limitation on Debt,” and

(y) no Default or Event of Default shall have occurred and be continuing or would result therefrom.

Any such designation or redesignation by the Board of Directors will be evidenced by filing with the Trustee a Board Resolution giving effect to such designation or redesignation and an Officers’ Certificate that:

- (a) certifies that such designation or redesignation complies with the foregoing provisions; and
- (b) gives the effective date of such designation or redesignation,

such filing with the Trustee to occur within 45 days after the end of the fiscal quarter of Arch Coal in which such designation or redesignation is made (or, in the case of a designation or redesignation made during the last fiscal quarter of Arch Coal’s fiscal year, within 90 days after the end of such fiscal year).

Guarantees by Restricted Subsidiaries. Arch Coal shall not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to Guarantee or secure the payment of any other Debt of Arch Coal or any of its Restricted Subsidiaries under the Amended and Restated Credit Agreement or any capital markets Debt unless within 15 days, such Restricted Subsidiary (a) executes and delivers a supplemental indenture to the Indenture within providing for a Note Guarantee of the payment of the Notes by such Restricted Subsidiary, (b) grants a Lien in the Collateral owned by such Restricted Subsidiary in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and (d) executes a joinder agreement to the Security Documents, agreeing to be bound thereby; *provided* that this paragraph shall not be applicable to:

- (i) any Guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;
- (ii) any Guarantee arising under or in connection with performance bonds, indemnity bonds, surety bonds or letters of credit or bankers’ acceptances or coal sales contracts; or
- (iii) Permitted Liens.

If the Guaranteed Debt is a Subordinated Obligation, the Guarantee of such Guaranteed Debt must be subordinated in right of payment to the Note Guarantee to at least the extent that the Guaranteed Debt is subordinated to the Notes or the applicable Note Guarantee.

Merger, Consolidation and Sale of Property

Arch Coal shall not merge, consolidate or amalgamate with or into any other Person (other than a merger of a Restricted Subsidiary of Arch Coal into Arch Coal) or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any one transaction or series of transactions unless:

- (a) Arch Coal is the Surviving Person or the Surviving Person (if other than Arch Coal) formed by such merger, consolidation or amalgamation or to which such sale, transfer, assignment, lease, conveyance or disposition is made shall be a corporation, partnership or limited liability company organized and existing under the laws of the United States of America, any state thereof or the District of Columbia; *provided* that at any time the Surviving Person is a partnership or a limited liability company, there shall be a co-issuer of the Notes that is a corporation that also satisfies the requirements of this covenant;
- (b) the Surviving Person (if other than Arch Coal) expressly assumes all obligations of Arch Coal under the Indenture, the Notes, the New Intercreditor Agreement, the Existing Intercreditor Agreement and the Security Documents, pursuant to agreements in form satisfactory to the Trustee and the Collateral Agent, as applicable;
- (c) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating, for purposes of this clause (c) and clause (d) below, any Debt that becomes, or is anticipated to become, an obligation of the Surviving Person or any Restricted Subsidiary as a result of such transaction or series of transactions as having been Incurred by the Surviving Person or such Restricted Subsidiary at the time of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing;

(d) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis, (1) at least \$1.00 of additional Debt would be able to be Incurred under clause (1) of the first paragraph of the covenant described under “—Certain Covenants— Limitation on Debt” or (2) the Consolidated Interest Coverage Ratio of Arch Coal and its Restricted Subsidiaries would be equal to or greater than immediately prior to such transaction;”

(e) Arch Coal shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers’ Certificate and an Opinion of Counsel, each stating that such transaction or series of transactions and the supplemental indenture, if any, in respect thereto comply with this covenant and that all conditions precedent herein provided for relating to such transaction or series of transactions have been satisfied;

(f) the Surviving Entity (if other than Arch Coal) causes such amendments, supplements or other instruments to be executed, delivered, filed and recorded, as applicable, in such jurisdictions as may be required by applicable law to preserve and protect the Lien of the Security Documents on the Collateral owned by or transferred to such Surviving Entity;

(g) the Collateral owned by or transferred to the Surviving Entity shall (a) continue to constitute Collateral under the Indenture and the Security Documents, (b) be subject to the Lien in favor of the Collateral Agent for the benefit of the Trustee and the Holders of the Notes, and (c) not be subject to any Lien other than Permitted Liens; and

(h) the property and assets of the Surviving Entity, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Surviving Entity shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the Security Documents in the manner and to the extent required in the Indenture.

Clause (d) above of this paragraph shall not apply to (1) any merger, consolidation or sale, assignment, transfer, conveyance or other disposition of assets between or among Arch Coal and any of its Restricted

Subsidiaries or (2) a merger of Arch Coal with an Affiliate solely for the purpose of reincorporating Arch Coal in another jurisdiction.

Arch Coal shall not permit any Guarantor to consolidate with or merge with or into any Person or sell, assign, transfer, convey or otherwise dispose of, all or substantially all of its assets, in one or more related transactions, to any Person unless Arch Coal has delivered to the Trustee an Officers’ Certificate and Opinion of Counsel stating that the transaction complies with the following conditions and each of the following conditions is satisfied:

(a) the other Person is Arch Coal or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; or

(b) (1) either (x) the Guarantor shall be the Surviving Person or (y) the entity formed by such consolidation or into which the Guarantor is merged, expressly assumes, by a Guarantee or a supplemental indenture in form satisfactory to the Trustee, executed and delivered to the Trustee by such surviving Person the due and punctual performance and observance of all the obligations of such Guarantor under the Note Guarantee;

(2) the Surviving Person, if other than the Guarantor, causes such amendments, supplements or other instruments to be executed, delivered, filed and recorded, as applicable, in such jurisdictions as may be required by applicable law to preserve and protect the Lien of the Security Documents on the Collateral owned by or transferred to such entity; and

(3) the Surviving Person, if other than the Guarantor, is a corporation or limited liability company organized under the laws of the United States, any state thereof or the District of Columbia and immediately after giving effect to the transaction and any related Incurrence of Debt of, no Default or Event of Default shall have occurred and be continuing; or

(c) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to another Guarantor) and at the time of such transaction after giving *pro forma* effect thereto, the provisions of clause (c) of the first paragraph of this covenant would be satisfied, the transaction is otherwise permitted by the Indenture.

The Surviving Person shall succeed to, and be substituted for, and may exercise every right and power of Arch Coal under the Indenture (or of the Guarantor under the Note Guarantee, as the case may be), but Arch Coal, in the case of:

(a) a sale, transfer, assignment, conveyance or other disposition (unless such sale, transfer, assignment, conveyance or other disposition is of all the assets of Arch Coal as an entirety or virtually as an entirety); or

(b) a lease, shall not be released from any of the obligations or covenants under the Indenture.

SEC Reports

Notwithstanding that Arch Coal may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, Arch Coal shall file with the Commission and, if not filed electronically with the Commission, will provide to the Trustee (within 15 days after it would have been required to file with the Commission) such quarterly and annual information that would be required to be contained in a filing with the Commission on Forms 10-K and 10-Q, as if Arch Coal were required to file such forms; *provided, however*, that Arch Coal shall not be so obligated to file such information, documents and reports with the Commission if the Commission does not permit such filings; *provided further, however*, that Arch Coal will be required to provide to the Trustee any such quarterly and annual information, documents or reports that are not so filed.

In addition, Arch Coal and the Guarantors agree that, for so long as any Notes remain outstanding, if at any time they are not required to file with the Commission the reports required by the preceding paragraph, they will furnish to Holders of the Notes and to prospective investors, upon their request, the

Events of Default

Events of Default in respect of the Notes include:

- (1) failure to make the payment of any interest on the Notes when the same becomes due and payable, and such failure continues for a period of 30 days;
- (2) failure to make the payment of any principal of, or premium, if any, on, the Notes when the same becomes due and payable at its Stated Maturity, upon acceleration, optional redemption, required repurchase or otherwise;
- (3) failure to comply with the covenant described under “—Repurchase at the Option of Holders Upon a Change of Control,” “—Certain Covenants—Limitation on Asset Sales” and “—Merger, Consolidation and Sale of Property;”
- (4) failure to comply with the covenant described under “—SEC Reports” for 120 days after written notice is given to Arch Coal as provided below;
- (5) failure to comply with any other covenant or agreement in the Notes, the Indenture or the Note Guarantees (other than a failure that is the subject of the foregoing clause (1), (2), (3) or (4)), and such failure continues for 60 days after written notice is given to Arch Coal as provided below;
- (6) a default under any Debt by Arch Coal or any Restricted Subsidiary that results in acceleration of the maturity of such Debt, or failure to pay any such Debt at maturity, in an aggregate amount greater than \$100.0 million or its foreign currency equivalent at the time (the “cross acceleration provisions”);
- (7) any final judgment or judgments for the payment of money in an aggregate amount in excess of \$100.0 million (or its foreign currency equivalent at the time), to the extent such judgments are not paid or covered by insurance provided by a reputable carrier that shall be rendered against Arch Coal or any Restricted Subsidiary and that shall not be waived, satisfied, stayed or discharged for any period of 60 consecutive days after the date on which the right to appeal has expired (the “judgment default provisions”);
- (8) certain events involving bankruptcy, insolvency or reorganization of Arch Coal, any Guarantor or any other Significant Subsidiary (the “bankruptcy provisions”);
- (9) any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason (other than in accordance with the provisions of the Indenture) to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under any Note Guarantee; and
- (10) unless all of the Collateral has been released from the 1.5 Priority Liens in accordance with the provisions of the Security Documents, (x) default by Arch Coal or any Guarantor in the performance of the Security Documents which adversely affects the enforceability, validity, perfection or priority of the 1.5 Priority Liens on any Collateral, individually or in the aggregate, having a fair market value in excess of \$100.0 million, (y) the repudiation or disaffirmation by Arch Coal or any Guarantor of its material obligations under the Security Documents or (z) the determination in a judicial proceeding that the Security Documents are unenforceable or invalid against Arch Coal or any Guarantor party thereto for any reason with respect to any Collateral, individually or in the aggregate, having a fair market value in excess of \$100.0 million, in each case, which default, repudiation, disaffirmation or determination is not rescinded, stayed, or waived by the Persons having such

authority pursuant to the Security Documents or otherwise cured within 60 days after Arch Coal receives written notice thereof specifying such occurrence from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Notes and demanding that such default be remedied.

A Default under clauses (3) or (4) is not an Event of Default until the Trustee or the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding notify Arch Coal of the Default and Arch Coal does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a “Notice of Default.”

Arch Coal shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers’ Certificate of any event that with the giving of notice or the lapse of time or both would become an Event of Default, its status and what action is being taken or proposed to be taken with respect thereto.

If an Event of Default with respect to the Notes (other than an Event of Default resulting from the bankruptcy provisions) shall have occurred and be continuing, the Trustee or the registered Holders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare to be immediately due and payable the principal amount of all the Notes then outstanding, plus accrued but unpaid interest to the date of acceleration. In case an Event of Default under the bankruptcy provisions shall occur, such amount with respect to all the Notes shall be due and payable immediately without any declaration or other act on the part of the Trustee or the Holders of the Notes. After any such acceleration, but before a judgment or decree based on acceleration is obtained by the Trustee, the registered Holders of at least a majority in aggregate principal amount of the Notes then outstanding may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal, premium or interest, have been cured or waived as provided in the Indenture.

In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) under the first paragraph above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the default or failure to make payment triggering such Event of Default pursuant to clause (6) shall be remedied or cured by Arch Coal or a Restricted Subsidiary or waived by the holders of the relevant Debt within 20 days after the declaration of acceleration of the Notes with respect thereto and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders of the Notes, unless such Holders shall have offered to the Trustee indemnity satisfactory to it. Subject to such provisions for the indemnification of the Trustee, the Holders of at least a majority in aggregate principal amount of the Notes then outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Notes.

No Holder of Notes will have any right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or trustee, or for any remedy thereunder, unless:

- (a) such Holder has previously given to the Trustee written notice of a continuing Event of Default;
- (b) the registered Holders of at least 25% in aggregate principal amount of the Notes then outstanding have made a written request and offered indemnity satisfactory to the Trustee to institute such proceeding as Trustee; and

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(c) the Trustee shall not have received from the registered Holders of at least a majority in aggregate principal amount of the Notes then outstanding a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days.

However, such limitations do not apply to a suit instituted by a Holder of any Note for enforcement of payment of the principal of, and premium, if any, or interest on, such Note on or after the respective due dates expressed in such Note.

Amendments and Waivers

Subject to certain exceptions, (a) Arch Coal and the Trustee with the consent of the registered Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Notes) may amend the Indenture and the Notes or the Note Guarantees and the registered Holders of at least a majority in aggregate principal amount of the Notes outstanding may waive any past default or compliance with any provisions of the Indenture, the Notes or the Note Guarantees (except a default in the payment of principal, premium or interest and certain covenants and provisions of the Indenture which cannot be amended without the consent of each Holder of an outstanding Note) and (b) Arch Coal, the Guarantors and the Collateral Agent may amend or otherwise modify in any manner the Security Documents or the obligations thereunder with the consent of the registered Holders of at least a majority in aggregate principal amount of the outstanding Notes and Pari Passu Secured Debt, voting as one class. However, without the consent of each Holder of an outstanding Note, no amendment may, among other things,

- (1) reduce the amount of Notes whose Holders must consent to an amendment or waiver;
- (2) reduce the rate of, or extend the time for payment of, interest on any Note;
- (3) reduce the principal of, or extend the Stated Maturity of, any Note;
- (4) make any Note payable in money other than that stated in the Note;
- (5) impair the right of any Holder of the Notes to receive payment of principal of, premium, if any, and interest, on, such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;
- (6) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed (other than any notice provisions), as described under "—Optional Redemption;"
- (7) reduce the premium payable upon a Change of Control or, at any time after a Change of Control has occurred, change the time at which the Change of Control Offer relating thereto must be made or at which the Notes must be repurchased pursuant to such Change of Control Offer;
- (8) at any time after Arch Coal is obligated to make a Prepayment Offer with the Excess Proceeds from Asset Sales, change the time at which such Prepayment Offer must be made or at which the Notes must be repurchased pursuant thereto;
- (9) modify or change any provision of the Indenture affecting the ranking of the Notes or the Note Guarantees in a manner adverse to the Holders of the Notes; or
- (10) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture other than in accordance with the provisions of the Indenture, or amend or modify any provision relating to such release.

In addition, any amendment to, or waiver of the provisions of (1) the Indenture or any Security Document that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes other than in accordance with the Indenture and the Security Documents or (2) the New Intercreditor Agreement or the Existing Intercreditor Agreement in any manner adverse in any material

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respect to the Holders of the Notes, in each case, will require the consent of the Holders of at least 66 $\frac{2}{3}$ % in aggregate principal amount of Notes and Pari Passu Secured Debt then outstanding, voting as one class.

The Indenture and the Notes may be amended by Arch Coal and the Trustee without the consent of any Holder of the Notes to:

- (a) cure any ambiguity, omission, defect or inconsistency in any manner that is not adverse in any material respect to any Holder of the Notes;

- (b) provide for the assumption by a Surviving Person of the obligations of Arch Coal under the Indenture;
- (c) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);
- (d) add Note Guarantees with respect to the Notes or confirm and evidence the release, termination or discharge of any security or Note Guarantee when such release, termination or discharge is permitted by the Indenture;
- (e) add to the covenants of Arch Coal and the Restricted Subsidiaries for the benefit of the Holders of the Notes or surrender any right or power conferred upon Arch Coal;
- (f) make any change that does not adversely affect the rights of any Holder of the Notes;
- (g) provide for the issuance of Additional Notes in accordance with the Indenture;
- (h) to evidence and provide for the acceptance of appointment by a successor Trustee;
- (i) to add to the Collateral securing the Notes;
- (j) to provide for the release of Collateral from the Lien of the Indenture and the Security Documents when permitted or required by the Security Documents or the Indenture;
- (k) to secure any Debt that is permitted to be incurred in accordance with the Indenture under the Security Documents and to appropriately include the same in the New Intercreditor Agreement and the Existing Intercreditor Agreement;
- (l) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for the benefit of the Trustee on behalf of the holders of the Notes, as additional security for the payment and performance of all or any portion of the 1.5 Priority Liens, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Collateral Agent pursuant to the Indenture, any of the Security Documents or otherwise;
- (m) to conform the text of the Indenture, the Security Documents or the Notes to any provision of this “*Description of New 2022 Secured Notes*” to the extent that such provision in this “*Description of New 2022 Secured Notes*” was intended to be a recitation of a provision of the Indenture, the Security Documents or the Notes; or
- (n) to make any amendment to the provisions of the Indenture relating to the transfer and legending of the Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of the Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in the Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer the Notes.

The consent of the Holders of the Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment becomes effective, Arch Coal is required to mail, or arrange to be mailed, to each registered Holder of the Notes at such Holder’s address appearing in the Security Register a notice briefly describing such amendment. However, the failure to give such notice to all Holders of the Notes, or any defect therein, will not impair or affect the validity of the amendment.

Defeasance

Arch Coal at any time may terminate all of its obligations under the Notes and the Indenture and all obligations of the Guarantors may be discharged with respect to their Note Guarantees (“legal defeasance”), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. Arch Coal at any time may terminate:

- (1) its obligations under the covenants described under “—Repurchase at the Option of Holders Upon a Change of Control,” “—Certain Covenants” and “—Reports” (and thereafter any omission to comply with these covenants will not constitute a Default or Event of Default with respect to the Notes);
- (2) the operation of the cross acceleration provisions, the judgment default provisions and the bankruptcy provisions with respect to Significant Subsidiaries described under “—Events of Default” above; and
- (3) the limitations contained in clause (d) under the first paragraph of “—Merger, Consolidation and Sale of Property” above (“covenant defeasance”).

Arch Coal may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If Arch Coal exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If Arch Coal exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (4) (with respect to the covenants described under “—Certain Covenants” or “—Reports”), (5), (6) or (7) (with respect only to Significant Subsidiaries) under “—Events of Default” above or because of the failure to comply with clause (d) under the first paragraph of “—Merger, Consolidation and Sale of Property” above.

The legal defeasance option or the covenant defeasance option may be exercised only if:

(a) Arch Coal irrevocably deposits in trust with the Trustee money or U.S. Government Obligations, or a combination thereof, for the payment of principal of, premium, if any, and interest on the Notes to maturity or redemption, as the case may be;

(b) Arch Coal delivers to the Trustee a certificate from a nationally recognized firm of independent certified public accountants expressing their opinion that the payments of principal, premium, if any, and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the Notes to be defeased to maturity or redemption, as the case may be;

(c) 91 days pass after the deposit is made, and during the 91-day period, no Default described in clause (7) under “—Events of Default” occurs with respect to Arch Coal or any other Person making such deposit which is continuing at the end of the period;

(d) no Default or Event of Default (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Debt and, in each case, the granting of Liens in connection therewith) has occurred and is continuing on the date of such deposit and after giving effect thereto;

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(e) such deposit does not constitute a default under any other material agreement or instrument binding on Arch Coal or any of its Restricted Subsidiaries;

(f) in the case of the legal defeasance option, Arch Coal delivers to the Trustee an Opinion of Counsel stating that:

(1) Arch Coal has received from the Internal Revenue Service a ruling, or

(2) since the date of the Indenture there has been a change in the applicable U.S. federal income tax law, to the effect that, and based thereon such Opinion of Counsel shall confirm that, the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance has not occurred;

(g) in the case of the covenant defeasance option, Arch Coal delivers to the Trustee an Opinion of Counsel to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(h) Arch Coal delivers to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes have been complied with as required by the Indenture.

The Collateral will be released from the Liens securing the Notes, as provided under the caption “*Security—Release of Liens,*” upon a legal defeasance or covenant defeasance in accordance with the provisions described above.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to Arch Coal) have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation are to be called for redemption within one year and an irrevocable notice of redemption with respect thereto has been deposited with the Trustee or will become due and payable within one year and Arch Coal or a Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default will have occurred and be continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which Arch Coal or any Guarantor is a party or by which Arch Coal or any Guarantor is bound;

(3) Arch Coal or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

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(4) Arch Coal has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, Arch Coal must deliver an Officers’ Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

The Collateral will be released from the Liens securing the Notes, as provided under the caption “*Security—Release of Liens*,” upon a satisfaction and discharge in accordance with the provisions described above.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator, stockholder, member, manager or partner of Arch Coal or any Guarantor, as such, will have any liability for any obligations of Arch Coal or the Guarantors under the Notes, the Indenture, the Note Guarantees or the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Governing Law

The Indenture, the Notes and the Security Documents (other than any real property mortgages on parcels located outside of the State of New York) will be governed by the laws of the State of New York.

The Trustee

U.S. Bank National Association will be the Trustee under the Indenture.

Except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person’s own affairs.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms as well as any other capitalized terms used herein for which no definition is provided. Unless the context otherwise requires, an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP.

“1.5 Lien Obligations” means the Debt incurred and Obligations under the Indenture and any Pari Passu Secured Debt.

“1.5 Priority Liens” means all Liens in favor of the Collateral Agent on Collateral securing the 1.5 Lien Obligations, including, without limitation, any Pari Passu Secured Debt.

“Additional Assets” means:

- (a) any Property (other than cash, Cash Equivalents and securities) to be owned by Arch Coal or any of its Restricted Subsidiaries and used in a Permitted Business; or
- (b) Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Arch Coal or another Restricted Subsidiary from any Person other than Arch Coal or an Affiliate of Arch Coal; *provided, however*, that, in the case of clause (b), such Restricted Subsidiary is primarily engaged in a Permitted Business.

“Affiliate” of any specified Person means:

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- (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; or
 - (b) any other Person who is a director or officer of:
 - (1) such specified Person;
 - (2) any Subsidiary of such specified Person; or
 - (3) any Person described in clause (a) above.

For the purposes of this definition, “control,” when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Amended and Restated Credit Agreement” means that certain Amended and Restated Revolving Credit Agreement, dated as of June 14, 2011 and amended as of May 16, 2012, November 20, 2012, November 21, 2012 and December 17, 2013, by and among Arch Coal, PNC Bank, National Association, as Administrative Agent and the other lenders named therein providing for up to \$2.05 billion of term loan borrowings, including the New Term Loans, and \$254.0 million of revolving credit borrowings, including the New Revolving Loans, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, restated, modified, renewed, refunded, replaced or refinanced from time to time, regardless of whether such amendment, restatement, modification, renewal, refunding, replacement or refinancing is with the same financial institutions or otherwise.

“Applicable Premium” means with respect to any Note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of such Note on such redemption date; and

(2) the excess, if any, of (i) the present value at such redemption date of (A) the redemption price of such Note at August 15, 2018 (each such redemption price being set forth in the applicable table appearing above under the caption “—Optional Redemption”), plus (B) all required interest payments due on such Note through August 15, 2018 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (ii) the principal amount of such Note.

“Arch Coal 9.875% Senior Notes Indenture” means the Indenture dated as of November 21, 2012 by and among Arch Coal, the subsidiary guarantors named therein and UMB Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

“Arch Coal 83/4% Senior Notes Indenture” means the Indenture dated as of July 31, 2009 by and among Arch Coal, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

“Arch Coal 71/4% Senior Notes Indenture” means the Indenture dated as of August 9, 2010, as supplemented by a first supplemental indenture dated as of August 9, 2010 by and among Arch Coal, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

“Arch Coal 7.000% Senior Notes and 7.250% Senior Notes Indenture” means the Indenture dated as of June 14, 2011 by and among Arch Coal, the subsidiary guarantors named therein and UMB Bank National Association, as trustee, pursuant to which certain of the Arch Coal Senior Notes were issued, as amended or supplemented to the Issue Date.

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“Arch Coal Secured Notes” means (i) the \$350.0 million aggregate principal amount of 8.000% senior secured second lien notes due 2019 issued by Arch Coal and (ii) the New 2023 Secured Notes.

“Arch Coal Secured Notes Indentures” means the Indenture dated as of December 17, 2013 by and among Arch Coal, the subsidiary guarantors named therein and UMB Bank National Association as trustee and collateral agent, pursuant to which Arch Coal’s 8.000% senior secured second lien notes due 2019 were issued, as amended or supplemented to the Issue Date, and the indenture pursuant to which the New 2023 Secured Notes will be issued or the Issue Date.

“Arch Coal Senior Notes” means (i) the \$375.0 million aggregate principal amount of 9.875% Senior Notes due 2019 issued by Arch Coal, (ii) the \$600.0 million aggregate principal amount of 83/4% Senior Notes due 2016 issued by Arch Coal, (iii) the \$500.0 million aggregate principal amount of 71/4% Senior Notes due 2020 issued by Arch Coal, (iv) the \$1,000.0 million aggregate principal amount of 7.000% Senior Notes due 2019 issued by Arch Coal and (v) the \$1,000.0 million aggregate principal amount of 7.250% Senior Notes due 2021 issued by Arch Coal.

“Arch Coal Senior Notes Indentures” means the Arch Coal 9.875% Senior Notes Indenture, the Arch Coal 71/4% Senior Notes Indenture, the Arch Coal 83/4% Senior Notes Indenture and the Arch Coal 7.000% Senior Notes and 7.250% Senior Notes Indenture.

“Asset Sale” means any sale, lease, transfer, issuance or other disposition (or series of related sales, leases, transfers, issuances or dispositions) by Arch Coal or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a “disposition”), of

- (a) any shares of Capital Stock of a Restricted Subsidiary (other than directors’ qualifying shares); or
- (b) any other Property of Arch Coal or any of its Restricted Subsidiaries outside of the ordinary course of business of Arch Coal or such Restricted Subsidiary, other than, in the case of clause (a) or (b) above,
 - (1) any disposition by a Restricted Subsidiary to Arch Coal or by Arch Coal or its Restricted Subsidiary to a Restricted Subsidiary;
 - (2) any disposition that constitutes a Permitted Investment or Restricted Payment permitted by the covenant described under “—Certain Covenants—Limitation on Restricted Payments;”
 - (3) any disposition effected in compliance with the first paragraph of the covenant described under “—Merger, Consolidation and Sale of Property;”
 - (4) any disposition in a single transaction or a series of related transactions of assets for aggregate consideration of less than \$100.0 million;
 - (5) a disposition of Cash Equivalents;
 - (6) a disposition of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
 - (7) a disposition of any property or equipment that has become damaged, worn out or obsolete;
 - (8) any disposition of accounts receivable and related assets or an interest therein pursuant to a Receivables Facility;
 - (9) the creation or perfection of a Lien not prohibited by the Indenture (but not the sale or other disposition of any asset subject to such Lien);

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- (10) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; and

(11) the sale or other disposition (whether or not in the ordinary course of business) of coal properties, provided at the time of such sale or other disposition such properties do not have associated with them any proved reserves.

“Average Life” means, as of any date of determination, with respect to any Debt or Preferred Stock, the quotient obtained by dividing:

- (a) the sum of the product of the numbers of years (rounded to the nearest one-twelfth of one year) from the date of determination to the dates of each successive scheduled principal payment of such Debt or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by
- (b) the sum of all such payments.

“Board of Directors” means the board of directors of Arch Coal.

“Capital Lease Obligations” means any obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; and the amount of Debt represented by such obligation shall be the capitalized amount of such obligations determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of “—Certain Covenants— Limitation on Liens,” a Capital Lease Obligation shall be deemed secured by a Lien on the Property being leased.

“Capital Stock” means, with respect to any Person, any shares or other equivalents (however designated) of any class of corporate stock or partnership or limited liability company interests or any other participations, rights, warrants, options or other interests in the nature of an equity interest in such Person, including Preferred Stock, but excluding any debt security convertible or exchangeable into such equity interest.

“Capital Stock Sale Proceeds” means the aggregate proceeds, including cash and the Fair Market Value of Property other than cash, received by Arch Coal from the issuance or sale (other than to a Subsidiary of Arch Coal or an employee stock ownership plan or trust established by Arch Coal or any such Subsidiary for the benefit of their employees) by Arch Coal of its Capital Stock (other than Disqualified Stock) or from a contribution to its common equity capital, in each case after the Issue Date, and net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale or contribution, as the case may be, and net of taxes paid or payable as a result thereof.

“Cash Equivalents” means any of the following:

- (a) Investments in U.S. Government Obligations maturing within 365 days of the date of acquisition thereof;
- (b) Investments in time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company organized under the laws of the United States of America or any state thereof having capital, surplus and undivided profits aggregating in excess of \$500.0 million and whose long-term debt is rated “A-3” or “A-” or higher according to Moody’s or S&P (or such similar equivalent rating by at least one “nationally recognized statistical rating organization” (as defined in Section 3(a)(62) of the Exchange Act));
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) entered into with:

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(1) a bank meeting the qualifications described in clause (b) above or

(2) any primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York;

(d) Investments in commercial paper, maturing not more than 365 days after the date of acquisition, issued by a corporation (other than an Affiliate of Arch Coal) organized and in existence under the laws of the United States of America with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or such similar equivalent rating by at least one “nationally recognized statistical rating organization” (as defined in Section 3(a)(62) of the Exchange Act));

(e) direct obligations (or certificates representing an ownership interest in such obligations) of any state of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such state is pledged and which are not callable or redeemable at the issuer’s option; *provided that*:

(1) the long-term debt of such state is rated “A-3” or “A-” or higher according to Moody’s or S&P (or such similar equivalent rating by at least one “nationally recognized statistical rating organization” (as defined in Section 3(a)(62) of the Exchange Act)), and

(2) such obligations mature within 365 days of the date of acquisition thereof; and

(f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (e) of this definition.

“Change of Control” means the occurrence of any of the following events:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provisions to either of the foregoing), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b) (1) under the Exchange Act, becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act, except that a person will be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 50% or more of the total voting power of the Voting Stock of Arch Coal (for purposes of this clause (a), such person or group shall be deemed to beneficially own any Voting Stock of a corporation held by any other corporation (the “parent corporation”) so long

as such person or group beneficially owns, directly or indirectly, in the aggregate at least a majority of the total voting power of the Voting Stock of such parent corporation); or

(b) the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the Property of Arch Coal and its Restricted Subsidiaries, considered as a whole (other than a disposition of such Property as an entirety or virtually as an entirety to a Wholly Owned Restricted Subsidiary of Arch Coal), shall have occurred; or

(c) the adoption of any plan of liquidation or dissolution of Arch Coal. "Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means all of the property and assets, in each case, that are held by Arch Coal or any of the Guarantors, to the extent that such assets secure the First Lien Obligations and to the extent that a junior-priority security interest is able to be granted or perfected therein, in each case, other than Excluded Assets.

"Collateral Agent" means the Trustee, in its capacity as Collateral Agent under the Security Documents together with its successors.

"Commission" means the U.S. Securities and Exchange Commission.

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"Commodity Price Protection Agreement" means, in respect of a Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement.

"Concurrent Exchange Offer and Consent Solicitation" means Arch Coal's offer to exchange 6.25% Trust Certificates due 2021 of Arch Pass Through Trust for any and all outstanding 7 1/4% Senior Notes due 2020 of Arch Coal pursuant to that certain Confidential Offering Memorandum and Consent Solicitation Statement dated July 2, 2015.

"Concurrent Ineligible Holders Offer" means the offer to holders of 7 1/4% Senior Notes due 2020 of Arch Coal, who are not eligible to participate in the Exchange Offer or the Concurrent Exchange Offer and Consent Solicitation to exchange their 7 1/4% Senior Notes due 2020 of Arch Coal for the 6.25% Trust Certificates due 2021 of Arch Pass Through Trust.

"Consolidated Current Liabilities" means, as of any date of determination, the aggregate amount of liabilities of Arch Coal and its consolidated Restricted Subsidiaries which may properly be classified as current liabilities (including taxes accrued as estimated), after eliminating:

- (a) all intercompany items between Arch Coal and any Restricted Subsidiary or between Restricted Subsidiaries; and
- (b) all current maturities of long-term Debt.

"Consolidated Interest Coverage Ratio" of a Person means, as of any date of determination, the ratio of:

(a) the aggregate amount of EBITDA of such Person for the most recent four consecutive fiscal quarters for which internal financial statements are available to

(b) Consolidated Interest Expense of such Person for such four fiscal quarters; *provided, however*, that:

(1) if

(A) since the beginning of such period such Person or any Restricted Subsidiary of such Person has Incurred any Debt that remains outstanding or Repaid any Debt or

(B) the transaction giving rise to the need to calculate the Consolidated Interest Coverage Ratio is an Incurrence or Repayment of Debt,

Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Incurrence or Repayment as if such Debt was Incurred or Repaid on the first day of such period, *provided* that, in the event of any such Repayment of Debt, EBITDA for such period shall be calculated as if such Person or such Restricted Subsidiary of such Person had not earned any interest income actually earned during such period in respect of the funds used to Repay such Debt, and

(2) if

(A) since the beginning of such period such Person or any Restricted Subsidiary of such Person shall have made any Asset Sale or an Investment (by merger or otherwise) in any Restricted Subsidiary of such Person (or any Person which becomes a Restricted Subsidiary of such Person) or an acquisition of Property which constitutes all or substantially all of an operating unit of a business;

(B) the transaction giving rise to the need to calculate the Consolidated Interest Coverage Ratio is such an Asset Sale, Investment or acquisition; or

(C) since the beginning of such period any other Person (that subsequently became a Restricted Subsidiary of such Person or was merged with or into such Person or any

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Restricted Subsidiary of such Person since the beginning of such period) shall have made such an Asset Sale, Investment or acquisition,

then EBITDA for such period shall be calculated after giving *pro forma* effect to such Asset Sale, Investment or acquisition as if such Asset Sale, Investment or acquisition had occurred on the first day of such period.

If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the base interest rate in effect for such floating rate of interest on the date of determination had been the applicable base interest rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt if such Interest Rate Agreement has a remaining term in excess of 12 months). In the event the Capital Stock of any Restricted Subsidiary of such Person is sold during the period, such Person shall be deemed, for purposes of clause (1) above, to have Repaid during such period the Debt of such Restricted Subsidiary to the extent such Person and its continuing Restricted Subsidiaries are no longer liable for such Debt after such sale.

“Consolidated Interest Expense” of a Person means, for any period, the total interest expense of such Person and its consolidated Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent Incurred by such Person or its Restricted Subsidiaries,

- (a) interest expense attributable to Capital Lease Obligations;
- (b) amortization of debt discount and debt issuance cost, including commitment fees;
- (c) capitalized interest;
- (d) non-cash interest expense;
- (e) commissions, discounts and other fees and charges owed with respect to letters of credit and banker’s acceptance financing;
- (f) net costs associated with Interest Rate Agreements (including amortization of fees);
- (g) Disqualified Stock Dividends;
- (h) Preferred Stock Dividends;
- (i) interest Incurred in connection with Investments in discontinued operations;
- (j) interest accruing on any Debt of any other Person to the extent such Debt is Guaranteed by such Person or any of its Restricted Subsidiaries; and
- (k) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than such Person) in connection with Debt Incurred by such plan or trust.

“Consolidated Net Income” of a Person means, for any period, the net income (loss) of such Person and its consolidated Restricted Subsidiaries; *provided, however*, that there shall not be included in such Consolidated Net Income:

- (a) any net income (loss) of any other Person (other than such Person) if such other Person is not a Restricted Subsidiary, except that:

(1) subject to the exclusion contained in clause (c) below, equity of such Person and its consolidated Restricted Subsidiaries in the net income of any such other Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such other Person during such period to such Person or its Restricted Subsidiary as a dividend

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or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (b) below), and

(2) the equity of such Person and its consolidated Restricted Subsidiaries in a net loss of any other Person for such period shall be included in determining such Consolidated Net Income to the extent such Person or any Restricted Subsidiary of such Person has actually contributed, lent or transferred cash to such other Person;

- (b) any net income (loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to such Person, except that:

(1) subject to the exclusion contained in clause (c) below, the equity of such Person and its consolidated Restricted Subsidiaries in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash that is or could be dividended or distributed or otherwise paid (including through making loans and repaying Debt) by such Restricted Subsidiary during such period to such Person or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to another Restricted Subsidiary, to the limitation contained in this clause (b)); and

(2) the equity of such Person and its consolidated Restricted Subsidiaries in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

- (c) any gain or loss realized upon the sale or other disposition of any Property of such Person or any of its consolidated Subsidiaries (including pursuant to any Sale and Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business;
- (d) any extraordinary gain or loss;
- (e) fees, expenses or charges related to the Transactions;

(f) the cumulative effect of a change in accounting principles; and

(g) any non-cash compensation expense realized for grants of performance shares, stock options or other rights to officers, directors and employees of such Person or any Restricted Subsidiary, *provided* that such shares, options or other rights can be redeemed at the option of the holder only for Capital Stock of such Person (other than Disqualified Stock). Notwithstanding the foregoing, for purposes of the covenant described under “—Certain Covenants—Limitation on Restricted Payments” only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of Property from Unrestricted Subsidiaries to such Person or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (c)(4) thereof.

“Consolidated Net Tangible Assets” means, as of any date of determination, the sum of the amounts that would appear on a consolidated balance sheet of Arch Coal and its consolidated Restricted Subsidiaries, less any amounts attributable to non-Wholly Owned Restricted Subsidiaries that are not consolidated with Arch Coal and plus the portion of the consolidated net tangible assets of a non-Wholly Owned Restricted Subsidiary that is not consolidated with Arch Coal equal to the percentage of its outstanding Capital Stock owned by Arch Coal and its Restricted Subsidiaries, as of the end of the most recent fiscal quarter for which internal financial statements are available as the total assets (determined on a pro forma basis to give effect to any acquisition or disposition of assets made after such balance sheet date and on or prior to such date of determination), and less accumulated depreciation and amortization, allowances for doubtful receivables, other applicable reserves and other properly deductible items) of Arch Coal and its Restricted Subsidiaries, after giving effect to purchase accounting and after deducting therefrom Consolidated Current Liabilities and, to the extent otherwise included, the amounts of (without duplication):

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(a) the excess of cost over fair market value of assets or businesses acquired;

(b) any revaluation or other write-up in book value of assets subsequent to the last day of the fiscal quarter of Arch Coal immediately preceding the Issue Date as a result of a change in the method of valuation in accordance with GAAP; and

(c) unamortized debt discount and expenses and other unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses, organization or developmental expenses and other intangible items.

“Credit Facilities” means, one or more debt facilities (including, without limitation, the Amended and Restated Credit Agreement), or other financing arrangements (including, without limitation, commercial paper facilities or indentures, in each case with banks, investment banks, insurance companies, mutual funds, other institutional lenders, a trustee or any of the foregoing) providing for revolving credit loans, term loans, notes, bonds, indentures, debentures, receivables financing (including through the sale of receivables to such lenders, other financiers or to special purpose entities formed to borrow from (or sell such receivables to) such lenders or other financiers against such receivables), letters of credit, bankers’ acceptances, other borrowings or issuances of notes, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (in each case, without limitation as to amount) in whole or in part from time to time and any agreements and related documents governing Debt or obligations incurred to Refinance amounts then outstanding or permitted to be outstanding.

“Currency Exchange Protection Agreement” means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement.

“Debt” means, with respect to any Person on any date of determination (without duplication):

(a) the principal of and premium (if any) in respect of:

(1) debt of such Person for money borrowed, and

(2) debt evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all Capital Lease Obligations of such Person;

(c) all obligations of such Person representing the deferred purchase price of Property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreements (but excluding in-kind obligations of such Person relating to net coal balancing positions or bookouts and trade accounts payable, in either case arising in the ordinary course of business);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(e) the amount of all obligations of such Person with respect to the Repayment of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(f) all obligations of the type referred to in clauses (a) through (e) above of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

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(g) all obligations of the type referred to in clauses (a) through (f) above of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the Fair Market Value of such

Property and the amount of the obligation so secured; and

- (h) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

The amount of Debt of any Person at any date shall be the outstanding balance, or the accreted value of such Debt in the case of Debt issued with original issue discount, at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date and *provided* that any obligations under or in respect of operating leases shall be deemed not to constitute Debt. The amount of Debt represented by a Hedging Obligation shall be equal to:

(1) zero if such Hedging Obligation has been Incurred pursuant to clause (e), (f) or (g) of the second paragraph of the covenant described under “—Certain Covenants— Limitation on Debt,” or

(2) the notional amount of such Hedging Obligation if not Incurred pursuant to such clauses.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“Discharge of First Lien Obligations” means (a) cash payment in full of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in any such Insolvency or Liquidation Proceeding) on all outstanding Debt included in the First Lien Obligations, (b) termination or expiration of any commitments to extend credit that would be First Lien Obligations, (c) termination or cash collateralization (in an amount and manner required by the Amended and Restated Credit Agreement), of all letters of credit and contingent obligations of each issuer of such letters of credit in respect of such letters of credit, (d) cash collateralization or other arrangements reasonably satisfactory to First Lien Agent for any indemnification obligations not yet due and payable but for which a claim or demand has been made against a First Lien Secured Party, and (e) cash payment in full of all other First Lien Obligations that are due and payable or otherwise accrued and owing at or prior to the time principal and interest described in clause (a) are paid (other than indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time).

“Disqualified Stock” means any Capital Stock of a Person or any of its Restricted Subsidiaries that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or otherwise:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part; or
- (c) is convertible or exchangeable at the option of the holder thereof for Debt or Disqualified Stock,

on or prior to, in the case of clause (a), (b) or (c), the first anniversary of the Stated Maturity of the Notes. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Arch Coal to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if (i) the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in “—Certain Covenants— Limitation on Asset Sales” and “—Repurchase at the Option of Holders Upon Change of Control” covenants described herein

and (ii) such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to Arch Coal’s repurchase of such Notes as are required to be repurchased pursuant to “—Certain Covenants—Limitation on Asset Sales” and “—Repurchase at the Option of Holders Upon a Change of Control.”

“Disqualified Stock Dividends” of a Person means all dividends (other than dividends paid in Capital Stock (except Disqualified Stock) of Arch Coal) with respect to Disqualified Stock of such Person held by Persons other than a Wholly Owned Restricted Subsidiary of such Person. The amount of any such dividend shall be equal to the quotient of such dividend divided by the difference between one and the maximum statutory federal income tax rate (expressed as a decimal number between 1 and 0) then applicable to such Person.

“EBITDA” of a Person means, for any period, an amount equal to, for such Person and its consolidated Restricted Subsidiaries:

- (a) the sum of Consolidated Net Income for such period, plus the following to the extent reducing Consolidated Net Income for such period:
 - (1) the provision for taxes based on income or profits or utilized in computing net loss;
 - (2) Consolidated Interest Expense;
 - (3) depreciation and depletion;
 - (4) amortization of intangibles;
 - (5) any other non-cash items (other than any such non-cash item to the extent that it represents an accrual of, or reserve for, cash expenditures in any future period);
 - (6) accruals of Postretirement Medical Liabilities, as defined by GAAP, net of cash payments for such Postretirement Medical Liabilities;
 - (7) accretion of asset retirement obligations in accordance with SFAS No. 143, Accounting for Asset Retirement Obligations, and any similar accounting in prior periods, net of cash payments for such asset retirement obligations;
 - (8) the amount of any unusual or non-recurring losses or charges (or minus any unusual or non-recurring gains), including without limitation, restructuring charges such as retention, severance, systems establishment costs or excess pension, OPEB, black lung settlement, curtailment or other

excess charges and fees, expenses or charges related to any offering of Capital Stock or Debt of such Person permitted to be Incurred;

(9) any net loss (or minus any net gain) attributable to the early extinguishment of Debt, including, without limitation, any premiums or similar charges related to any Debt Refinancing; and

(10) to the extent not included in (1) through (9) above, the portion of any of the items described in (1) through (9) above of a non-Wholly Owned Restricted Subsidiary that is not consolidated with such Person equal to the percentage of the outstanding common Capital Stock of the non-Wholly Owned Restricted Subsidiary owned by such Person and its Restricted Subsidiaries, minus

(b) all non-cash items increasing Consolidated Net Income for such period (other than any such non-cash item to the extent that it will result in the receipt of cash payments in any future period).

Notwithstanding the foregoing clause (a), the provision for taxes and the depreciation, amortization and non-cash items of a Restricted Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary

was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be divided or distributed or otherwise paid (including through making loans and repaying debt) to such Person by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its shareholders or members.

“Equity Offering” means a public or private offering of common Capital Stock (other than Disqualified Stock) of Arch Coal (other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of Arch Coal).

“Event of Default” has the meaning set forth under “—Events of Default.”

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Offer” means the exchange offer contemplated by offer to exchange (i) 7.000% Senior Notes due 2019 (ii) 9.875% Senior Notes due 2019, or (iii) 7.250% Senior Notes due 2021 for (i) 6.25% Trust Certificates due 2021, (ii) New 2022 Secured Notes or (iii) New 2023 Secured Notes pursuant to a Confidential Offering Memorandum dated July 2, 2015.

“Fair Market Value” means, with respect to any Property, the price that could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined, except as otherwise *provided*,

(a) if such Property has a Fair Market Value equal to or less than \$100.0 million, by Arch Coal’s principal financial officer; or

(b) if such Property has a Fair Market Value in excess of \$100.0 million, by at least a majority of the disinterested members of the Board of Directors and evidenced by a Board Resolution, dated within 30 days of the relevant transaction, delivered to the Trustee.

“First Lien Cap” means, on any date of determination, the greater of (a) \$2.5 billion and (b) 30% of Consolidated Net Tangible Assets.

“First Lien Documents” means the Amended and Restated Credit Agreement, the other Loan Documents (as defined in the Amended and Restated Credit Agreement), and each of the other agreements, documents, and instruments providing for or evidencing any other First Lien Obligation and any other document or instrument executed or delivered at any time in connection with any First Lien Obligation (including any intercreditor or joinder agreement among holders of First Lien Obligations), to the extent such are effective at the relevant time, as each may be amended, modified, restated, supplemented, replaced or refinanced from time to time (whether or not with the same lenders or agents).

“First Lien Lenders” means the “Lenders” from time to time party to, and as defined in, the Amended and Restated Credit Agreement, together with their respective successors and assigns.

“First Lien Obligations” means (i) all Obligations under (and as defined in) Credit Facilities, including, but not limited to, the Amended and Restated Credit Agreement and under any other document relating to Credit Facilities; *provided* that the aggregate principal amount of, without duplication, revolving credit loans, letters of credit, term loans, other loans, notes or similar instruments provided for under Credit Facilities or any other document relating to Credit Facilities in excess of the First Lien Cap, and any interest relating to such excess amount, shall not constitute First Lien Obligations for purposes of the Indenture and (ii) Hedging Obligations incurred in the ordinary course of business and permitted to be Incurred and so secured under the Amended and Restated Credit Agreement. “First Lien Obligations” shall in any event include: (a) all interest accrued or accruing, or which would accrue, absent commencement of an Insolvency or Liquidation Proceeding (and the effect of provisions such as Section 502(b)(2) of the Bankruptcy Code), on or after the commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant First Lien Document, whether or not the claim for such interest allowed or allowable as a claim in such Insolvency or Liquidation Proceeding, (b) any and all fees

and expenses (including attorneys’ and/or financial consultants’ fees and expenses) incurred by the First Lien Agent and the First Lien Secured Parties on or after the commencement of an Insolvency or Liquidation Proceeding, whether or not the claim for fees and expenses is allowed or allowable under Section 502 or 506(b) of the Bankruptcy Code or any other provision of the Bankruptcy Code or any similar federal, state or foreign law for the relief of debtors as a claim in such Insolvency or Liquidation Proceeding, and (c) all obligations and liabilities of each Issuer and each Guarantor under each First Lien Document to which it is a party which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due and payable.

“First Lien Secured Parties” means each of the “First Lien Claimholders” as such term is defined in the New Intercreditor Agreement.

“First Priority Liens” means all Liens that secure the First Lien Obligations.

“Foreign Subsidiary” means any Subsidiary of Arch Coal that is not organized under the laws of the United States of America or any state thereof or the District of Columbia.

“GAAP” means United States generally accepted accounting principles as in effect on the Issue Date, including those set forth in:

- (a) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board;
- (b) the statements and pronouncements of the Financial Accounting Standards Board;
- (c) such other statements by such other entity as approved by a significant segment of the accounting profession; and
- (d) the rules and regulations of the Commission governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the Commission;

provided that GAAP shall not give effect to FASB No. APB 14-1.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (b) entered into for the purpose of assuring in any other manner the obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” shall not include:

- (1) endorsements for collection or deposit in the ordinary course of business; or
- (2) a contractual commitment by one Person to invest in another Person for so long as such Investment is reasonably expected to constitute a Permitted Investment under clause (a), (b) or (c) of the definition of “Permitted Investment.” The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantors” means each of the Restricted Subsidiaries of Arch Coal that issue a Note Guarantee on the Issue Date and any other Restricted Subsidiary of Arch Coal that issue a Note Guarantee in accordance with the provisions of the Indenture.

“Hedging Obligation” of any Person means any obligation of such Person pursuant to any Interest Rate Agreement, Currency Exchange Protection Agreement, Commodity Price Protection Agreement or any other similar agreement or arrangement.

“Holder” means a Person in whose name a Note is registered in the Security Register.

“Incur” means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by merger, conversion, exchange or otherwise), extend, assume, Guarantee or become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or obligation on the balance sheet of such Person (and “Incurrence” and “Incurred” shall have meanings correlative to the foregoing); *provided, however*, that any Debt or other obligations of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary; and *provided further, however*, that solely for purposes of determining compliance with “—Certain Covenants—Limitation on Debt,” amortization of debt discount shall not be deemed to be the Incurrence of Debt, *provided* that in the case of Debt sold at a discount, the amount of such Debt Incurred shall at all times be the aggregate principal amount at Stated Maturity.

“Independent Financial Advisor” means an accounting, appraisal, engineering or banking firm of national standing, *provided* that such firm or appraiser is not an Affiliate of Arch Coal.

“Insolvency or Liquidation Proceeding” means (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to Arch Coal or any Guarantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to Arch Coal or any Guarantor or with respect to a material portion of its respective assets, (c) any liquidation, dissolution, reorganization or winding up of Arch Coal or any Guarantor, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of Arch Coal or any Guarantor.

“Interest Rate Agreement” means, for any Person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement.

“Investment” by any Person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other Property to others or payments for Property or services for the account or use of others, or otherwise) to, or Incurrence of a Guarantee of any obligation of, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Debt issued by, any other Person. For purposes of the covenants described under “—Certain Covenants—Limitation on Restricted Payments” and “—Designation of Restricted and Unrestricted Subsidiaries” and the definition of “Restricted Payment,” the term “Investment” shall include the portion (proportionate to Arch Coal’s or a Restricted Subsidiary’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of Arch Coal at the time that such Subsidiary is

designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Arch Coal shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary of an amount (if positive) equal to:

- (a) Arch Coal’s “Investment” in such Subsidiary at the time of such redesignation, less
- (b) the portion (proportionate to Arch Coal’s or a Restricted Subsidiary’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation.

If Arch Coal or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any Restricted Subsidiary, or any Restricted Subsidiary issues any Capital Stock, in either case, such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of Arch Coal, Arch Coal shall be deemed to have made an Investment on the date of any such sale or other disposition equal to the Fair Market Value of the Capital Stock of and all other Investments in such Restricted Subsidiary retained.

In determining the amount of any Investment made by transfer of any Property other than cash, such Property shall be valued at its Fair Market Value at the time of such Investment.

“Investment Grade Rating” means, a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P.

“Issue Date” means the date the Notes are initially issued.

“Junior Lien Documents” means the Arch Coal Secured Notes Indentures and each of the other agreements, documents and instruments providing for or evidencing any other Junior Lien Obligations and any other document or instrument executed or delivered at any time in connection with any Junior Lien Obligation (including any intercreditor or joinder agreement) among holders of Junior Lien Obligations to the extent such are effective at the relevant time, as each may be amended, modified, restated, supplemented, replaced or refinanced from time to time (whether or not with the same agents or lenders).

“Junior Lien Obligations” means the Arch Coal Secured Notes and Obligations under the Arch Coal Secured Notes Indentures and any other Debt secured by Liens ranking junior to the Liens securing the Notes or Note Guarantees.

“Junior Lien Secured Parties” means each of the holders of “Second Lien Obligations” as such term is defined in the Existing Intercreditor Agreement.

“Junior Priority Liens” means all Liens in favor of the Collateral Agent on Collateral securing the Junior Lien Obligations.

“Lien” means, with respect to any Property of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including any Capital Lease Obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing or any Sale and Leaseback Transaction).

“Mining Operations” means (i) the removal of coal and other minerals from the natural deposits or from waste or stock piles by any surface or underground mining methods; (ii) operations or activities conducted underground or on the surface associated with or incident to the preparation, development, operation, maintenance, opening and reopening of an underground or surface mine storage or stockpiling of mined materials, backfilling, sealing and other closure procedures related to a mine or the movement, assembly, disassembly or staging of any mining equipment; (iii) milling; (iv) coal preparation, coal processing or testing; (v) coal refuse disposal, coal fines disposal or the operation and maintenance of impoundments; (vi) the operation of any mine drainage system; (vii) reclamation activities and operations; or (viii) the operation of coal terminals, river or rail load-outs or any other transportation facilities.

“Moody’s” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“Net Available Cash” from any Asset Sale means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Debt or other obligations relating to the Property that is the subject of such Asset Sale or received in any other non-cash form), in each case net of:

(a) all legal, title and recording tax expenses, accounting, investment banking fees and brokerage and sales commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Sale;

(b) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale; and

(c) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the Property disposed of in such Asset Sale and retained by Arch Coal or any Restricted Subsidiary after such Asset Sale.

“New 2023 Secured Notes” means the 12.000% senior secured notes due 2023.

“New Revolving Loans” means up to \$254.0 million aggregate principal amount of first lien drawn loans due May 2021 issued under the Amended and Restated Credit Agreement in connection with the Transactions.

“New Term Loans” means up to \$150.0 million aggregate principal amount of first lien secured term loans due May 2021 issued under the Amended and Restated Credit Agreement in connection with the Transactions.

“Note Guarantees” means a Guarantee by a Guarantor of all of Arch Coal’s obligations with respect to the Notes.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Debt and in all cases whether direct or indirect, absolute or contingent, now outstanding or hereafter created assumed or incurred and including, without limitation, interest accruing subsequent to the filing of a petition in bankruptcy or the commencement of any insolvency, reorganization or similar proceedings at the rate provided in the relevant documentation, whether or not an allowed claim, and any obligation to redeem or defease any of the foregoing.

“Officer” means the Chief Executive Officer, the President, the Chief Financial Officer or any Executive Vice President or Senior Vice President of Arch Coal.

“Officers’ Certificate” means a certificate signed by two Officers, at least one of whom shall be the principal executive officer or principal financial officer, and delivered to the Trustee.

“Opinion of Counsel” means a written opinion from legal counsel who is acceptable to the Trustee, in its discretion. The counsel may be an employee of or counsel to Arch Coal.

“Pari Passu Debt” means any Debt of Arch Coal or any Guarantor that is pari passu in right of payment to the Notes or any Note Guarantees, as the case may be.

“Pari Passu Secured Debt” means any Debt of Arch Coal or any Guarantor that ranks pari passu in right of payment with the Notes or the Note Guarantees and is secured by a Lien on the Collateral that has the same priority as the Lien securing the Notes and that is designated in writing as such by Arch Coal to the Trustee and the holders of which enter into an appropriate agency agreement with the Collateral Agent.

“Permitted Business” means the business conducted by Arch Coal on the Issue Date, any business that is related, ancillary or complementary or a reasonable extension to the businesses of Arch Coal and its Restricted Subsidiaries on the Issue Date and any business of a nature that is or shall have become (i) related to the extraction, processing, storage, distribution or use of fuels or minerals, including, without limitation, coal gasification, coal liquefaction, natural gas, liquefied natural gas, coalbed or coal mine methane gas and bitumen from tar sands, as well as the production of electricity or other sources of power, such as coal-or natural gas-fueled power generation facilities, wind, solar or hydroelectric power generation facilities or similar activities or (ii) customary in the coal production industry.

“Permitted Investment” means any Investment by Arch Coal or any Restricted Subsidiary in:

- (a) Arch Coal or any Restricted Subsidiary;
- (b) any Person that will, upon the making of such Investment, become a Restricted Subsidiary;
- (c) any Person if as a result of such Investment such Person is merged or consolidated with or into, or transfers or conveys all or substantially all its Property to, Arch Coal or its Restricted Subsidiary, *provided* that such Person’s primary business is a Permitted Business;
- (d) Cash Equivalents;
- (e) receivables owing to Arch Coal or its Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary trade terms as Arch Coal or such Restricted Subsidiary deems reasonable under the circumstances;
- (f) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (g) loans and advances to employees made in the ordinary course of business permitted by law of Arch Coal or such Restricted Subsidiary, as the case may be; *provided* that such loans and advances do not exceed \$5.0 million in the aggregate at any one time outstanding;
- (h) stock, obligations or other securities received in settlement of debts created in the ordinary course of business and owing to Arch Coal or a Restricted Subsidiary or in satisfaction of judgments;
- (i) any Person to the extent such Investment represents the non-cash portion of the consideration received in connection with an Asset Sale consummated in compliance with the covenant described under “—Certain Covenants—Limitation on Asset Sales” or any non-cash consideration received in connection with a disposition of Property excluded from the definition of Asset Sale;
- (j) Investments in an aggregate amount, together with all other Investments made pursuant to this clause (j), not to exceed 5.0% of Consolidated Net Tangible Assets (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value and net of, with respect to the Investment in any particular Person made pursuant to this clause (j), the cash return thereon received after the Issue Date as a result of any sale for cash, repayment, return, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Issue Date in reliance on this clause (j));
- (k) other Investments made for Fair Market Value that do not exceed \$500.0 million in the aggregate outstanding at any one time (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value);
- (l) Hedging Obligations that constitute Permitted Debt;

(m) Investments in connection with a Receivables Facility;

(n) Investments in Permitted Joint Ventures in an aggregate amount, together with all other Investments made pursuant to this clause (n) not to exceed the greater of (x) \$750.0 million and (y) 7.5% of Consolidated Net Tangible Assets (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value and net of, with respect to the Investment in any particular Person made pursuant to this clause (n), the cash return thereon received

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after the Issue Date as a result of any sale for cash, repayment, return, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Issue Date in reliance on this clause (n); and

(o) Investments in Permitted Joint Ventures and other entities (whether or not a Subsidiary) that are not domiciled or incorporated in the United States, taken together with all other Investments made pursuant to this clause (o) that are at the time outstanding, not to exceed the greater of (x) \$500.0 million and (y) 5.0% of Consolidated Net Tangible Assets (with the Fair Market Value being measured at the time made and without giving effect to subsequent changes in value and net of, with respect to the Investment in any particular Person made pursuant to this clause (o), the cash return thereon received after the Issue Date as a result of any sale for cash, repayment, return, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Issue Date in reliance on this clause (o)).

“Permitted Joint Ventures” means any agreement, contract or other arrangement between Arch Coal or any Restricted Subsidiary and any Person engaged principally in a Permitted Business that permits one party to share risks or costs, comply with regulatory requirements or satisfy other business objectives customarily achieved through the conduct of such Permitted Business jointly with third parties.

“Permitted Liens” means:

(a) Liens on Collateral to secure Debt (1) incurred under First Lien Obligations or 1.5 Lien Obligations; *provided* that the aggregate amount of Debt secured by First Priority Liens shall not exceed the First Lien Cap; or (2) that constitutes Junior Lien Obligations;

(b) Liens to secure Debt permitted to be Incurred under clause (c) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Debt” and other purchase money Liens to finance Property of Arch Coal or any of its Restricted Subsidiaries; *provided* that any such Lien may not extend to any Property of Arch Coal or any Restricted Subsidiary, other than the Property acquired, constructed or leased and any improvements or accessions to such Property (including, in the case of the acquisition of Capital Stock of a Person that becomes a Restricted Subsidiary, Liens on the Property of the Person whose Capital Stock was acquired);

(c) Liens for taxes, assessments or governmental charges or levies on the Property of Arch Coal or any Restricted Subsidiary if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings promptly instituted and diligently concluded, *provided* that any reserve or other appropriate provision that shall be required in conformity with GAAP shall have been made therefor;

(d) Liens imposed by law, such as carriers’, warehousemen’s and mechanics’ Liens and other similar Liens, on the Property of Arch Coal or any Restricted Subsidiary arising in the ordinary course of business and securing payment of obligations that are not more than 60 days past due or are being contested in good faith and by appropriate proceedings;

(e) Liens on the Property of Arch Coal or any Restricted Subsidiary Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance or return-of-money bonds, surety bonds or other obligations of a like nature and Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of Property and which do not in the aggregate impair in any material respect

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the use of Property in the operation of the business of Arch Coal and the Restricted Subsidiaries taken as a whole;

(f) Liens on Property at the time Arch Coal or any Restricted Subsidiary acquired such Property, including any acquisition by means of a merger or consolidation with or into Arch Coal or any Restricted Subsidiary; *provided, however,* that any such Lien may not extend to any other Property of Arch Coal or any Restricted Subsidiary; *provided further, however,* that such Liens shall not have been Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Property was acquired by Arch Coal or any Restricted Subsidiary;

(g) Liens on the Property of a Person at the time such Person becomes a Restricted Subsidiary; *provided, however,* that any such Lien may not extend to any other Property of Arch Coal or any other Restricted Subsidiary that is not a direct Subsidiary of such Person; *provided further, however,* that any such Lien was not Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(h) pledges or deposits by Arch Coal or any Restricted Subsidiary under workers’ compensation laws, unemployment insurance laws, old-age pensions or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which Arch Coal or any Restricted Subsidiary is party, or deposits to secure public or statutory obligations of Arch Coal, or deposits for the payment of rent, in each case Incurred in the ordinary course of business;

(i) utility easements, building restrictions and such other encumbrances or charges against real Property as are of a nature generally existing with respect to properties of a similar character;

(j) Liens existing on the Issue Date not otherwise described in clauses (a) through (i) above or (k) through (u) below;

(k) Liens on the Property of Arch Coal or any Restricted Subsidiary to secure any Refinancing, in whole or in part, of any Debt secured by Liens referred to in clause (b), (f), (g) or (j) above; *provided, however*, that any such Liens shall be limited to all or part of the same Property that secured the original Liens (together with improvements and accessions to such Property), such Liens shall not have any greater priority relative to the Notes and the Note Guarantees than the original Liens securing the Debt being refinanced and the aggregate principal amount of Debt that is secured by such Lien shall not be increased to an amount greater than the sum of:

(1) the outstanding principal amount, or, if greater, the committed amount, of the Debt secured by Liens described under clause (b), (f), (g) or (j) above, as the case may be, at the time the original Lien became a Permitted Lien under the Indenture, and

(2) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, incurred by Arch Coal or such Restricted Subsidiary in connection with such Refinancing;

(l) Liens on Property used to defease or to satisfy and discharge Debt; *provided* that (a) the Incurrence of such Debt was not prohibited by the Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by the Indenture;

(m) Liens in favor of Arch Coal or any Restricted Subsidiary;

(n) judgment Liens not giving rise to an Event of Default, that are being contested in good faith by appropriate legal proceedings and for which adequate reserves have been made;

(o) Liens on accounts receivable and related assets in connection with a Receivables Facility;

(p) rights of banks to set off deposits against debts owed to said bank;

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(q) contract mining agreements and leases or subleases granted to others that do not materially interfere with the ordinary conduct of business of Arch Coal or any of its Restricted Subsidiaries;

(r) Liens on Capital Stock of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;

(s) Liens on the assets of Foreign Subsidiaries securing Debt of Foreign Subsidiaries;

(t) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(u) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other assets relating to such letters of credit and products and proceeds thereof; and

(v) Liens not otherwise permitted by clauses (a) through (u) above securing Debt or other obligations in an aggregate principal amount not to exceed \$200.0 million at the time such Debt is Incurred.

“Permitted Refinancing Debt” means any Debt that Refinances any other Debt, including any successive Refinancings, so long as:

(a) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of:

(1) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced and all accrued and unpaid interest thereon, and

(2) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing;

(b) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced; and

(c) the new Debt shall not be senior in right of payment to the Debt that is being Refinanced; *provided, however*, that Permitted Refinancing Debt shall not include:

(x) Debt of a Subsidiary of Arch Coal that is not a Guarantor that Refinances Debt of Arch Coal or a Guarantor, or

(y) Debt of Arch Coal or a Restricted Subsidiary that Refinances Debt of an Unrestricted Subsidiary.

“Person” means any individual, corporation, company (including any limited liability company), association, partnership, joint venture, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock” means any Capital Stock of a Person, however designated, which entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of any other class of Capital Stock issued by such Person.

“Preferred Stock Dividends” of a Person means all dividends with respect to Preferred Stock of Restricted Subsidiaries of such Person (other than dividends paid in Capital Stock (except Disqualified Stock) of Arch Coal) held by Persons other than such Person or a Wholly Owned Restricted Subsidiary of such Person. The amount of any such dividend shall be equal to the quotient of such dividend divided by

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the difference between one and the maximum statutory federal income rate (expressed as a decimal number between 1 and 0) then applicable to the issuer of such Preferred Stock.

“pro forma” means, with respect to any calculation made or required to be made pursuant to the terms hereof, a calculation, as interpreted in good faith by Arch Coal’s principal financial officer or principal accounting officer, or otherwise a calculation made in good faith by the Board of Directors after consultation with the independent certified public accountants of Arch Coal, as the case may be.

“Property” means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

“Purchase Money Debt” means Debt:

(a) consisting of the deferred purchase price of Property, conditional sale obligations, obligations under any title retention agreement, other purchase money obligations and obligations in respect of industrial revenue bonds, in each case where the maturity of such Debt does not exceed the anticipated useful life of the Property being financed; and

(b) Incurred to finance the acquisition, construction or lease by Arch Coal or a Restricted Subsidiary of such Property, including additions and improvements thereto;

provided, however, that such Debt is Incurred within 365 days after the acquisition, construction or lease of such Property by Arch Coal or such Restricted Subsidiary.

“Rating Agencies” means Moody’s and S&P or if Moody’s and S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by Arch Coal which shall be substituted for Moody’s or S&P or both, as the case may be.

“Receivables Facility” means one or more receivables financing facilities or arrangements, as amended or modified from time to time, pursuant to which Arch Coal or any Subsidiary sells (including a sale in exchange for a promissory note or Capital Stock of a Receivables Subsidiary) its accounts receivable to a Receivables Subsidiary or a Receivables Subsidiary sells accounts receivables to any other Person; *provided* such transaction is on market terms at the time Arch Coal or such Subsidiary enters into such transaction.

“Receivables Subsidiary” means a Subsidiary of Arch Coal which engages in no activities other than those reasonably related to or in connection with the entering into of receivables securitization transactions and which is designated by the Board of Directors (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Debt or any other obligations (contingent or otherwise) of which:

(a) is guaranteed by Arch Coal or any Restricted Subsidiary (excluding Guarantees (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings);

(b) is recourse to or obligates Arch Coal or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(c) subjects any Property of Arch Coal or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither Arch Coal nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding other than on terms no less favorable to Arch Coal or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of Arch Coal, other than fees payable in the ordinary course of business in connection with servicing accounts receivable of such entity; and

(3) to which neither Arch Coal nor any Restricted Subsidiary has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results other than pursuant to Standard Securitization Undertakings.

Any designation of a Subsidiary as a Receivable Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors giving effect to the designation and an Officers’ Certificate certifying that the designation complied with the preceding conditions and was permitted by the Indenture.

“Refinance” means, in respect of any Debt, to refinance, extend, renew, refund or Repay, or to issue other Debt, in exchange or replacement for, such Debt. “Refinanced” and “Refinancing” shall have correlative meanings.

“Repay” means, in respect of any Debt, to repay, prepay, repurchase, redeem, legally defease or otherwise retire such Debt. “Repayment” and “Repaid” shall have correlative meanings. For purposes of the covenant described under “—Certain Covenants—Limitation on Asset Sales” and the definition of “Consolidated Interest Coverage Ratio,” Debt shall be considered to have been Repaid only to the extent the related loan commitment, if any, shall have been permanently reduced in connection therewith.

“Restricted Payment” means:

(a) any dividend or distribution (whether made in cash, securities or other Property) declared or paid, on or with respect to any shares of Capital Stock of Arch Coal or any Restricted Subsidiary (including any payment in connection with any merger or consolidation with or into Arch Coal or any Restricted Subsidiary), except for any dividend or distribution that is (i) made solely to Arch Coal or a Restricted Subsidiary (and, if such Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, to the other shareholders or members of such Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by Arch Coal or a Restricted Subsidiary of dividends or distributions equal to or greater in value than it would receive on a *pro rata* basis); or (ii) payable solely in shares of Capital Stock (other than Disqualified Stock) of Arch Coal;

(b) the purchase, repurchase, redemption, acquisition or retirement for value of any Capital Stock of Arch Coal (other than from Arch Coal or a Restricted Subsidiary);

(c) the purchase, repurchase, redemption, acquisition or retirement for value, prior to the date for any scheduled maturity, sinking fund or amortization or other installment payment, of any Subordinated Obligation (other than (i) Debt permitted under clause (e) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Debt” or (ii) the purchase, repurchase or other acquisition of any Subordinated Obligation purchased in anticipation of satisfying a scheduled maturity, sinking fund or amortization or other installment obligation, in each case due within one year of the date of acquisition); or

(d) any Investment (other than Permitted Investments) in any Person.

“Restricted Subsidiary” means any Subsidiary of Arch Coal other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Ratings Services or any successor to the rating agency business thereof.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to Property now owned or hereafter acquired whereby Arch Coal or a Restricted Subsidiary transfers such Property to another Person and Arch Coal or a Restricted Subsidiary leases it from such Person.

“Second Lien Issue Date” means December 17, 2013.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agreement” means the security agreement dated as of the Issue Date among the Collateral Agent, Arch Coal and the Guarantors granting, among other things, a 1.5 Priority Lien on the Collateral subject to Permitted Liens, in each case in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Pari Passu Secured Debt, as amended, modified, restated, supplemented or replaced from time to time in accordance with its terms.

“Security Documents” means the Security Agreement, any mortgages, the Existing Intercreditor Agreement, the New Intercreditor Agreement and all of the security agreements, pledges, collateral assignments, mortgages, deeds of trust, trust deeds or other instruments evidencing or creating or purporting to create any security interests in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Pari Passu Secured Debt, in all or any portion of the Collateral, as amended, modified, restated, supplemented or replaced from time to time.

“Significant Subsidiary” means any Subsidiary that would be a “significant subsidiary” of Arch Coal within the meaning of Rule 1-02 under Regulation S-X promulgated by the Commission.

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by Arch Coal or any Restricted Subsidiary that are reasonably customary in receivables financing facilities, including, without limitation, servicing of the obligations thereunder.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

“Subordinated Obligation” means any Debt of Arch Coal or a Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in right of payment to the Notes or the Note Guarantees pursuant to a written agreement to that effect.

“Subsidiary” means, in respect of any Person, any corporation, company (including any limited liability company), association, partnership, joint venture or other business entity of which at least a majority of the total voting power of the Voting Stock is at the time owned or controlled, directly or indirectly, by:

(a) such Person;

(b) such Person and one or more Subsidiaries of such Person; or

(c) one or more Subsidiaries of such Person.

“Surviving Person” means the surviving Person formed by a merger, consolidation or amalgamation and, for purposes of the covenant described under “—Merger, Consolidation and Sale of Property,” a Person to whom all or substantially all of the Property of Arch Coal or a Guarantor is sold, transferred, assigned, leased, conveyed or otherwise disposed.

“Transactions” means the entry into and consummation of the Exchange Offer, the Concurrent Exchange Offer and Consent Solicitation and the Concurrent Ineligible Holders Offer and transactions related to such transactions, and the payment of any related fees, expenses or costs.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly

year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Unrestricted Subsidiary” means:

- (a) any Subsidiary of Arch Coal that is designated after the Issue Date as an Unrestricted Subsidiary as permitted or required pursuant to the covenant described under “—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries” and is not thereafter redesignated as a Restricted Subsidiary as permitted pursuant thereto;
- (b) any Subsidiary of an Unrestricted Subsidiary; and
- (c) as of the date of the Indenture, Jacobs Ranch Holdings I LLC, a Delaware limited liability company, Jacobs Ranch Holdings II LLC, a Delaware limited liability company, and Jacobs Ranch Coal LLC, a Delaware limited liability company.

After the termination of the covenants upon the Notes obtaining Investment Grade Ratings, all Unrestricted Subsidiaries shall be Restricted Subsidiaries.

“U.S. Government Obligations” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer’s option.

“Voting Stock” of any Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

“Wholly Owned Restricted Subsidiary” of a Person means, at any time, a Restricted Subsidiary all the Voting Stock of which (except directors’ qualifying shares) is at such time owned, directly or indirectly, by such Person and its other Wholly Owned Subsidiaries.

Where You Can Find Additional Information

Arch files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). You may inspect without charge any documents filed by Arch at the SEC’s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site, www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including Arch Coal, Inc. Arch’s common stock is traded on the New York Stock Exchange. You may also inspect the information Arch files with the SEC at the New York Stock Exchange’s offices at 20 Broad Street, New York, NY 10005. Information about Arch is also available at www.archcoal.com. The information on Arch’s Internet site is not a part of this Description of New 2022 Secured Notes.

[Risk Factors]

ANNEX D-1

RISK FACTORS

In addition to the other information incorporated by reference in this notice including without limitation the “Risk Factors” included in our Annual Report for the year ended December 31, 2014, you should carefully consider the following risk factors before deciding to participate in the Exchange Transaction. If any of the risks described below or in the documents incorporated by reference actually occurs, our business, business prospects, financial condition, results of operations or cash flows could be materially adversely affected. In any such case, the value of the New Notes could decline, and you could lose all or part of your investment. The risks below and those incorporated by reference are not the only ones facing us. Additional risks not currently known to us or that we currently deem immaterial may also adversely affect us. This notice also contains forward looking statements, estimates and projections that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward looking statements as a result of specific factors, including the risks described below and in the documents incorporated by reference. Defined terms used herein shall have the meanings as set forth in the notice.

Risks Related to Participating in the Exchange Transaction

The Exchange Transaction may be cancelled or delayed.

We have the right to terminate or withdraw at our sole discretion the Exchange Transaction at any time and for any reason, including failure to satisfy any condition to the Exchange Transaction. Even if the Exchange Transaction is consummated, it may not be consummated on the schedule described in this notice. Accordingly, Holders participating in the Exchange Transaction may have to wait longer than expected to receive their New Notes and Cash Payment, during which time such Holders will not be able to effect transfers or sales of their Old Notes tendered pursuant to the Exchange Transaction.

You must comply with the applicable Exchange Transaction procedures to receive New Notes.

Delivery of New Notes and Cash Payments in exchange for Old Notes properly tendered and accepted for the exchange pursuant to the Exchange Transaction will be made only after timely receipt by the Trustee of the following:

- book-entry confirmation of a book-entry transfer of Old Notes into the Trustee's account at DTC, New York, New York as a depository;
- a complete and signed Exchange Agreement, or facsimile copy; and
- any other documents required by the Exchange Agreement.

Therefore, Holders of Old Notes who would like to tender Old Notes in exchange for New Notes and Cash Payments should be sure to allow enough time for the necessary documents to be timely received by the Trustee. We are not required to notify you of defects or irregularities in tenders of Old Notes for exchange. If you are a beneficial owner of Old Notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the Exchange Transaction, you should promptly contact the person in whose name your Old Notes are registered and instruct that person to tender your Old Notes on your behalf.

The exchange ratio for the Exchange Transaction does not reflect any independent valuation of the Old Notes or the New Notes.

We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the exchange ratio or the relative values of the Old Notes or New Notes. If you tender your Old Notes, you may receive less value than if you keep such Old Notes. We cannot assure you that if you tender your Old Notes, you will receive more or as much value than if you choose to keep them. Additionally, if you tender your Old Notes, there will be a reduction in the aggregate principal amount of debt owed to you and,

in the event of a bankruptcy or liquidation proceeding, you may have a smaller claim than if you had retained your Old Notes.

We may recognize a significant amount of cancellation of indebtedness ("COD") income as a result of the consummation of the Exchange Transaction.

The exchange of Old Notes for New Notes and cash pursuant to the Exchange Transaction is expected to result in COD income to Arch for U.S. federal income tax purposes. Because the amount of COD income to be recognized by Arch depends in part on the fair market value and/or issue price of instruments to be issued on the date of the exchange, the precise amount of COD income, if any, resulting from the exchange of Old Notes cannot be determined prior to the date of the exchange. However, Arch generally anticipates that any COD income that it recognizes in the Exchange Transaction will be offset, at least in part, by its existing net operating losses ("NOLs") and certain other tax attributes. To the extent that existing NOLs and other tax attributes of Arch are not sufficient to offset fully any COD income, Arch may incur a cash tax liability from such COD income. In addition, because of the U.S. federal income tax rules regarding "applicable high yield discount obligations" ("AHYDOs"), we expect that we will not be permitted to deduct all or a substantial portion of the original issue discount on the New Notes.

Risks to Holders of Old Notes Not Tendered or Not Accepted for Exchange

Holders who fail to exchange their Old Notes may have reduced liquidity after the Exchange Transaction.

As Old Notes are tendered and accepted in the Exchange Transaction, the aggregate principal amount of remaining Old Notes will be reduced. This decrease could reduce the liquidity of the trading markets for the non-tendered Old Notes. We cannot assure you of the liquidity, or even the continuation, of the trading markets for the Old Notes following the Exchange Transaction. Reduced liquidity could adversely affect the market price for Old Notes not tendered or accepted for exchange.

Existing ratings for the Old Notes may not be maintained after the Exchange Transaction.

We cannot assure you that, as a result of the Exchange Transaction, one or more rating agencies will not downgrade or negatively comment upon the ratings for the Old Notes not tendered or accepted for exchange or take action to withdraw their rating of the Old Notes. Any withdrawal, downgrade or negative comment would likely adversely affect the market price of the Old Notes.

If the proposed amendments to the indenture governing the Old Notes become operative, Holders of Old Notes will have less covenant protection than is currently provided by the restrictive covenants in the indenture governing the Old Notes.

The proposed amendments to the indenture governing the Old Notes will result in the amendment of certain restrictive covenants in that indenture to permit the incurrence of additional secured debt. The elimination of these protections could permit us, subject to restrictions in our other debt instruments, to incur certain secured debt previously prohibited under that indenture, which could adversely affect the market prices and credit ratings of the remaining Old Notes.

Claims regarding the Old Notes remaining outstanding following the completion of the Exchange Transaction will be effectively subordinated to claims with respect to our secured indebtedness, including the New Notes.

The unsecured nature of the claims of the Old Notes could materially and adversely affect the value of a Holder's Old Notes remaining outstanding following the completion of the Exchange Transaction, in the event of a bankruptcy, liquidation or insolvency of us, to the extent of such Holder's recovery. The New Notes will be secured by liens on the collateral, but the Old Notes will remain unsecured. As a result, the

Old Notes will be effectively subordinated to our secured indebtedness, including the New Notes and other secured indebtedness expected to be incurred on or around the date of the Exchange Transaction. In the event of our bankruptcy, liquidation or insolvency, it is possible that our unpledged assets will be insufficient to satisfy the claims of the Old Notes and our other unsecured indebtedness remaining outstanding following the completion of the Exchange Transaction.

Our obligations under the New Notes will be secured by liens on the collateral. In the event we defaulted on our outstanding debt obligations, the proceeds from certain sales of collateral will be applied first to satisfy claims made in respect of our secured indebtedness, including the New Notes, which will benefit Holders of the New Notes. As a result, in a bankruptcy, there will be fewer assets available to satisfy our obligations under the Old Notes remaining outstanding following the completion of the Exchange Transaction.

We continuously contemplate future transactions and initiatives related to capital structure, including the concurrent exchange offers (as described in Arch's Current Report on Form 8-K filed on July 2, 2015), in light of, among other things, our substantial indebtedness and the sustained downturn in the coal industry. As a result of these transactions and initiatives, holders of Old Notes may ultimately be in a worse position if they do not participate in the Exchange Transaction.

Future transactions and initiatives that we continuously contemplate and may pursue, including the concurrent exchange offers, may have significant effects on our business, capital structure, ownership, liquidity and/or results of operations. For example, we have pursued, are pursuing and may continue to pursue, from time to time, transactions and initiatives related to capital structure, including, without limitation, the concurrent exchange offers and other debt exchange transactions, debt repurchases, equity or debt issuances, debt refinancing transactions (including extensions of maturity dates), asset sales, joint ventures, recapitalizations, business combinations and other strategic transactions. There can be no guarantee that any such transactions or initiatives would ultimately be successful or produce the desired outcome, which could ultimately affect us in a material and adverse manner. Moreover, the effects of any of these transactions or initiatives could be material and adverse to holders of our debt and could be disproportionate, and directionally different, with respect to one class or type of debt than with respect to others. As a result of these transactions and initiatives, holders of Old Notes may ultimately be in a worse position if they do not participate in the Exchange Transaction. Despite our current high debt level, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial debt.

We may purchase Old Notes in the future at different prices.

We may from time to time purchase any Old Notes that remain outstanding after consummation of the Exchange Transaction through open market or privately negotiated transactions, one or more tender or exchange offers or otherwise, on terms that may be less advantageous to Holders than the terms of the Exchange Transaction.

Risks Relating to the New Notes

We will have a substantial amount of debt following this Exchange Transaction, which will continue to limit our flexibility and imposes restrictions on us, and a continued downturn in economic or industry conditions may materially affect our ability to meet our future financial commitments and liquidity needs.

We have a substantial amount of indebtedness. As of March 31, 2015, after giving effect to the Concurrent Exchange Offer and Consent Solicitation and the Concurrent Exchange Offer (based on certain assumptions), we would have had consolidated indebtedness of approximately \$4.2 billion outstanding, including \$1.9 billion of first lien debt and \$674.2 million of unsecured or junior lien debt that will mature earlier than the debt offered hereby. While we intend to further reduce our debt through the Exchange Transaction and the concurrent exchange transactions, we can provide no assurances that this will be successful. Our EBITDA has declined as a result of the sustained downturn in the coal industry, and even with the reduced leverage we will experience if this Exchange Transaction and the concurrent exchange transactions are successful, we will remain highly leveraged and cannot assure you that we will continue to be able to satisfy our debt obligations. Our ability to satisfy our debt obligations, and our ability to refinance our indebtedness, will depend upon our future operating performance, which

will be affected by prevailing economic conditions in the markets that we serve (and will depend in significant part on an improvement in coal industry conditions within the next several years), and financial, business and other factors, many of which are beyond our control. We may be unable to generate sufficient cash flow from operations and future borrowings or other financing may be unavailable in an amount sufficient to enable us to fund our future financial obligations or our other liquidity needs.

The amount and terms of our debt could have material consequences to our business, including, but not limited to:

- limiting our ability to obtain additional financing to fund growth, such as new lease-by- application acquisitions or other mergers and acquisitions, working capital, capital expenditures, debt service requirements or other cash requirements;
- exposing us to the risk of increased interest costs if the underlying interest rates rise;
- limiting our ability to invest operating cash flow in our business due to existing debt service requirements;
- making it more difficult to obtain surety bonds, letters of credit or other financing, particularly during weak credit markets;
- causing a decline in our credit ratings;
- limiting our ability to compete with companies that are not as leveraged and that may be better positioned to withstand economic downturns;
- limiting our ability to acquire new coal reserves and/or plant and equipment needed to conduct operations;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we compete and general economic and market conditions; and

- making it more difficult to restructure our capital structure in the future. See “—*We continuously contemplate future transactions and initiatives related to capital structure in light of, among other things, our substantial indebtedness and the sustained downturn in the coal industry. As a result of these transactions and initiatives, holders of Old Notes may ultimately be in a worse position if they do not participate in the Exchange Transaction.*”

If we further increase our indebtedness, the related risks that we now face, including those described above, could intensify. In addition to the principal repayments on our outstanding debt, we have other demands on our cash resources, including capital expenditures and operating expenses. Our ability to pay our debt depends upon our operating performance. In particular, economic conditions have caused our revenues to decline and, without a significant improvement in coal industry conditions, will hamper our ability to repay our indebtedness. If we do not have enough cash to satisfy our debt service obligations, we may be required to refinance all or part of our debt, sell assets or reduce our spending. We may not be able to, at any given time, refinance our debt or sell assets on terms acceptable to us or at all.

A loss or reduction in our ability to self-bond could have a material adverse effect on our business and results of operations.

Federal and state laws require us to obtain surety bonds or post letters of credit to secure performance or payment of certain long-term obligations, such as mine closure or reclamation costs, federal and state workers’ compensation costs, coal leases and other obligations. The costs of surety bonds have fluctuated in recent years while the market terms of such bonds have generally become more unfavorable to mine operators. These changes in the terms of the bonds have been accompanied at times by a decrease in the number of companies willing to issue surety bonds. We use

self-bonding to secure performance of certain obligations in Wyoming. Self-bonding commits us to pay directly for reclamation costs rather than obtaining a traditional surety bond. As of December 31, 2014, we have self-bonded an aggregate of approximately \$458.5 million. The Land Quality Division of the Wyoming Department of Environmental Quality periodically re-evaluates the amount of the bond, so the current amount is subject to increase.

There can be no assurance that the amount of our self-bonding obligations will not be increased or that we will continue to qualify to self-bond. To the extent we are unable to maintain our current level of self-bonding, due to legislative or regulatory changes or changes in our financial condition, our costs would increase and it could have a material adverse effect on our financial condition and results of operations.

We are a holding company and depend on our subsidiaries to generate sufficient cash flow to meet our debt service obligations, including payments on the New Notes.

We are a holding company, and substantially all of our consolidated assets are held by our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries. Accordingly, our cash flows and ability to meet our debt service obligations, including payments on the New Notes, are largely dependent upon the earnings of our subsidiaries and the payment of such earnings to us in the form of dividends, distributions, loans or otherwise, and repayment of such loans or advances from us. These subsidiaries are separate and distinct legal entities, and we may not exercise sufficient control to cause them to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. The ability of our subsidiaries to pay dividends or make other advances or transfer of funds will depend on their respective results of operations and may be restricted by, among other things, applicable law and contractual provisions limiting the amount of funds available to make dividends and agreements of those subsidiaries.

If the New Notes become rated investment grade by both Standard & Poor’s and Moody’s, certain covenants will be terminated, and you will lose the protection of these covenants permanently, even if such ratings subsequently fall back below investment grade.

Certain covenants in the indenture for the New Notes will be terminated if the notes are rated investment grade by both Standard & Poor’s and Moody’s. These covenants restrict, among other things, our ability and the ability to our subsidiaries to:

- incur additional debt;
- make distributions;
- sell capital stock or other assets; and
- engage in transactions with affiliates.

In the case of such a termination, we will be able to incur additional debt and consummate transactions that may impair our ability to satisfy our obligations with respect to the New Notes. These covenants will not be restored, even if the assigned credit ratings subsequently fall below investment grade.

We may be unable to repurchase the New Notes in the event of a change of control as required by the indenture.

Holders of the New Notes and our other outstanding series of notes will have the right to require us to repurchase the notes at a repurchase price equal to 101% upon the occurrence of certain change of control events specified in the indenture governing the New Notes. Any change of control also would constitute a default under our existing senior secured credit facility. Therefore, upon the occurrence of a change of control, the lenders under our senior secured credit facility would have the right to accelerate the payment obligations

with respect to outstanding loans under our senior secured credit facility, and if so accelerated, we would be required to pay all of our outstanding obligations under such facility. We may not be able to repay or repurchase the New Notes at that time because we may not have available funds to repay the debt or pay the repurchase price as applicable. There can be no assurance that we would be able to repay such other debt. Any requirement to offer to repay or to purchase any outstanding New Notes may result in us having to refinance our outstanding indebtedness, which we may not be able to do. In addition, even if we were able to refinance our outstanding indebtedness, such financing may be on terms unfavorable to us.

The terms of the agreements governing our indebtedness contain significant restrictions that limit our operating and financial flexibility.

Our credit agreements and the agreements governing our and our subsidiaries' other indebtedness contain various covenants and other restrictions that limit our ability and the ability of our restricted subsidiaries to engage in specified types of transactions and may adversely affect our ability to operate our business. These covenants and other restrictions limit our and our restricted subsidiaries' ability to, among other things:

- incur additional indebtedness;
- pay dividends on, repurchase or make distributions in respect of capital stock or make restricted payments;
- make investments;
- create liens;
- issue and sell capital stock of subsidiaries;
- sell or transfer assets;
- enter into restrictions affecting the ability of restricted subsidiaries to make distributions, loans or advances to us;
- engage in transactions with affiliates;
- enter into sale and leaseback transactions; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

These restrictions on operations and financings, as well as those that may be contained in future debt agreements, may limit our ability to execute preferred business strategies. Moreover, under certain circumstances, we may be unable to comply with these covenants. If that occurs, our lenders and noteholders could accelerate the payment obligations with respect to that debt. If the payment obligations with respect to our debt obligations are accelerated, we may not be able to repay all of that debt, in which case the indebtedness represented by the New Notes may not be fully repaid, if it is repaid at all.

Despite our current levels of debt, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial debt.

We may be able to incur additional debt in the future. The terms of our credit agreements and the indentures and other agreements governing our and our subsidiaries' other indebtedness will allow us to incur substantial amounts of additional debt, subject to certain limitations. For example, as of March 31, 2015, after giving effect to the Exchange Transaction and the concurrent exchange transactions, and assuming all holders are eligible to participate and do so prior to the early tender time, we would have had availability of approximately \$122.6 million under our securitization facility. If new debt is added to our current debt levels, the related risks we could face would be magnified.

The New Notes are structurally subordinated to the existing and future liabilities of our subsidiaries that do not guarantee the New Notes to the extent of the assets of such non-guarantor subsidiaries.

Some of our subsidiaries will not guarantee the New Notes. As a result, the New Notes will be structurally subordinated to all existing and future liabilities of our subsidiaries that do not guarantee the New Notes. Therefore, our rights and the rights of our creditors to participate in the assets of any subsidiary in the event that such as subsidiary is liquidated or reorganized are subject to the prior claims of such subsidiary's creditors. As a result, all indebtedness and other liabilities, including trade payables, of the non-guarantor subsidiaries, whether secured or unsecured, must be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us in order for us to meet our obligations with respect to the New Notes. To the extent that we may be a creditor with recognized claims against any subsidiary, our claims would still be a subject to the prior claims of such subsidiary's creditors to the extent that they are secured or senior to those held by us. Our subsidiaries may incur additional indebtedness and other liabilities.

As of March 31, 2015, our non-guarantor subsidiaries had approximately \$0.8 million of total indebtedness and other liabilities, including trade payables and accrued expenses but excluding intercompany payables. The non-guarantor subsidiaries did not represent any of our consolidated revenues for the year ended December 31, 2014 or for the three months ended March 31, 2015. The non-guarantor subsidiaries and generated negative EBITDA of less than 1% of our consolidated Adjusted EBITDA for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively, and at March 31, 2015 represented approximately 2.7% of our consolidated assets (excluding intercompany receivables).

The issuance of the New Notes, the granting of the liens in respect thereof could be wholly or partially voided as preferential or fraudulent transfer by a bankruptcy court.

If Arch were to become a debtor in a case under the U.S. Bankruptcy Code within 90 days after we consummate the Exchange Transaction (or, with respect to any insiders, as defined in the U.S. Bankruptcy Code, within one year after consummation of the Exchange Transaction), and the court determines that we were insolvent at the time of the Exchange Transaction (for preference purposes, we would be presumed to have been insolvent on and during the 90 days immediately preceding the date of filing of any bankruptcy petition), the court could find that the issuance of the New Notes or the granting of the liens in respect thereof involved a preferential transfer. If the court determined that the Exchange Transaction effected a preference, then any such preferential transfer (which may include the grant of liens to secure the New Notes), absent any of the U.S. Bankruptcy Code's defenses to avoidance, may be avoided, in whole or in part, and, to the extent avoided, the value of any consideration Holders received with respect to such New Notes or Cash Payments could be recovered from such Holders and possibly from subsequent transferees. In addition, under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a court may avoid any transfer of an interest of a debtor in property, or any obligation incurred by a debtor, if among other things, the debtor conveyed the assets with an actual intent to hinder, delay or defraud its creditors, or the debtor received less than reasonably equivalent value in exchange for such transfer or obligation, and the debtor (a) was insolvent or rendered insolvent by reason of such incurrence; (b) was engaged in a business or

transaction for which the debtor's remaining assets constituted unreasonably small capital; or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts mature. As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a debtor would be considered insolvent if (a) the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or (b) if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or (c) it could not pay its debts as they become due.

A court may "collapse" the component steps of the restructuring into a single set of integrated transactions to determine whether the restructuring overall effected a fraudulent transfer. The transfers and obligations in respect of the Exchange Transaction may be subject to avoidance under state fraudulent transfer laws or if we become the subject of a bankruptcy proceeding if a court concludes that we issued the

New Notes, or granted the liens securing such indebtedness, or made the Cash Payments for less than reasonably equivalent value or fair consideration, other elements of the statutes are satisfied, and no applicable defense exists. Here, we will not receive any cash proceeds from the Exchange Transaction. A court may find that the tender of the Old Notes does not constitute reasonably equivalent value or fair consideration for the interests in the New Notes and Cash Payments.

If a bankruptcy petition were filed by or against us, a Holder of the New Notes may have its claims allowed in a lesser amount than the face amount of its claims under the indenture.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the consummation of the Exchange Transaction, the allowed claim of any Holder of the New Notes for the principal amount of such indebtedness may be limited to an amount equal to the sum of:

- the original issue price for the New Notes; and
- that portion of the original issue discount that does not constitute "unmatured interest" for purposes of the U.S. Bankruptcy Code, if any.

Bankruptcy courts have not developed a uniform method for determining the original issue price of indebtedness in an exchange offer. Rather, the facts and circumstances of the particular issuance appear to dictate how the original issue price of indebtedness is determined. Measures of the original issue price of indebtedness in an exchange offer have included the fair market value of the notes being exchanged (i.e., old notes) at the time of the exchange and the selling price of the issued indebtedness on their first day of trading. The U.S. Bankruptcy Court for the Southern District of New York ruled that unamortized original issue discount generated by a fair value debt exchange would not be disallowed in bankruptcy as a claim for un-matured interest. However, this decision may be subject to appeal and is not binding on courts in other jurisdictions. Accordingly, any original issue discount that was not amortized as of the date of the bankruptcy filing may be disallowed as un-matured interest in bankruptcy. Thus, a Holder of New Notes under these circumstances may have its claims allowed in a lesser amount than the face amount of its claims would be under the terms of the indenture, even if sufficient funds are available to pay the Holder the unamortized portion of any original issue discount as of the bankruptcy filing.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require debtholders to return payments received or prevent debtholders from receiving payments.

If we or a guarantor becomes a debtor in a case under the Bankruptcy Code or encounters other financial difficulty, under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a court may void, subordinate or otherwise decline to enforce the New Notes, a guarantee may be voided, or claims in respect of a guarantee may be subordinated to all other debts of that guarantor. The guarantees may be voided as fraudulent transfers if the guarantor, at the time it incurred the indebtedness evidenced by its guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and

- was insolvent or rendered insolvent by reason of such incurrence; or
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The court might also avoid such guarantee, without regard to the above factors, if it found that the subsidiary entered into its guarantee with actual or deemed intent to hinder, delay, or defraud its creditors. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guaranty and security agreements if the guarantor did not substantially benefit directly or indirectly from the issuance of the New Notes. Because the guarantees are for our benefit and only indirectly for the

benefit of the guarantors, a court could conclude that the guarantors received less than fully equivalent value.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

Each guaranty contains a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guaranty to be a fraudulent transfer. This provision may not be effective to protect the guaranties from being voided under fraudulent transfer law, or may reduce or eliminate the guarantor's obligation to an amount that effectively makes the guaranty worthless.

We cannot assure you as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard. Sufficient funds to repay the New Notes may not be available from other sources, including Arch or the remaining guarantors, if any. If a court avoided such guarantee, you would no longer have a claim against such subsidiary or the collateral granted by such subsidiary to secure its guarantee. In addition, the court might direct you to repay any amounts already received from such subsidiary. If the court were to avoid any guarantee, we cannot assure you that funds would be available to pay the related indebtedness from another subsidiary or from any other source.

In the event of our bankruptcy, the ability of Holders to realize upon the collateral will be subject to certain bankruptcy law limitations.

The ability of Holders of New Notes to realize upon the collateral will be subject to certain bankruptcy law limitations in the event of our bankruptcy. Under applicable U.S. federal bankruptcy laws, secured creditors are prohibited from, among other things, repossessing their security from a debtor in a bankruptcy case, or from disposing of security repossessed from such a debtor, without bankruptcy court approval, which may not be obtained. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to retain collateral, including cash collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." During the pendency of a bankruptcy case, a secured creditor may be entitled to request "adequate protection" to protect the value of the secured creditor's interest in its collateral, but the adequate protection, if any, actually provided to a secured creditor may vary according to the circumstances. Adequate protection may include cash payments or the granting of additional security. Following notice and a hearing, the bankruptcy court may award adequate protection to secured creditors based upon diminution in value of the collateral as a result of the debtor's use, sale or lease of such collateral during the pendency of the bankruptcy case or the imposition of the automatic stay. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, we cannot predict whether or when the collateral and administrative agent under the indenture governing the New Notes could foreclose upon or sell the collateral.

Any disposition of the collateral during a bankruptcy case would also require permission from the bankruptcy court. Furthermore, in the event a bankruptcy court determines the value of the collateral is not sufficient to repay all amounts due on debt which is to be repaid first out of the proceeds of collateral, the Holder would hold a secured claim to the extent of the value of such collateral to which the Holder is entitled and unsecured claims with respect to such shortfall. The Bankruptcy Code only permits the payment and accrual of post-petition interest, costs and attorney's fees to a secured creditor during a

debtor's bankruptcy case to the extent the value of its collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the collateral.

The New Notes will have a later maturity than the Old Notes.

If the Exchange Transaction is completed, the New Notes will have a later maturity than the Old Notes. Holders of New Notes will be exposed to the risk of nonpayment for a longer period than the holders of Old Notes that remain outstanding. For example, following the maturity date of the Old Notes, but prior to the maturity date of the New Notes, Arch may become subject to a bankruptcy or similar proceeding. If such a proceeding were to occur, holders of Old Notes may be paid in full at maturity, while there is a risk that the holders of New Notes would not be paid in full in connection with any bankruptcy or similar proceeding.

An active trading market may not develop for the New Notes.

The New Notes are a new issuance of securities. There is no established public trading market for the New Notes, and an active trading market may not develop. We do not intend to apply for the New Notes to be listed on any securities exchange. There may be limited liquidity of any trading market that does develop for the New Notes. In addition, the liquidity of the trading market in the New Notes, and the market prices quoted for such securities, may be adversely affected by changes in the overall market for this type of instrument and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. The Old Notes are trading at a discount and the New Notes may trade at a discount to their face value as well. As a consequence, an active trading market may not develop for the New Notes, Holders may not be able to sell their securities, or, even if they can sell their securities, they may not be able to sell them at acceptable prices.

You are responsible for determining the legality of your own investment.

Investing in the New Notes may raise legal issues for different classes of investors. You are responsible for determining whether you have the legal power, authority and right to invest in the New Notes. Arch and its affiliates express no view as to your legal power, authority or right to invest in the New Notes. You are urged to consult your own legal advisors as to such matters. You must be able to make the representations and warranties contained in the Exchange Agreement.

Risks Related to the Collateral Securing the New Notes

It may be difficult to realize the value of the collateral securing the New Notes.

The collateral securing the New Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the administrative agent, in its reasonable discretion, for the New Notes and any other creditors that also have the benefit of liens on the collateral securing the New Notes from time to time, whether on or after the date the New Notes are issued (including exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the administrative agents or collateral agent, in their reasonable discretion, under our existing senior secured credit facilities). We have not analyzed the effect of, nor

participated in any negotiations relating to, such exceptions, defects, encumbrances, liens and other imperfections. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the New Notes as well as the ability of the collateral agent, to realize or foreclose on such collateral.

The collateral securing the New Notes does not include all of our or the guarantors' assets. In particular, the collateral does not include (i) certain undeveloped land, (ii) vehicles or other assets subject to certificates of title that do not secure first lien obligations, (iii) assets which, in the discretion of the administrative agent under our senior secured credit facility, the taking of liens thereupon is impractical, prohibited by law or commercially unreasonable, (iv) assets of any non-guarantor subsidiary and (v) capital stock or other securities of any of our foreign subsidiaries (except for 65% of the capital stock or other securities in any first-tier foreign subsidiaries). No appraisals of any collateral have been prepared in connection with the Exchange Transaction. The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. The fair market value of the collateral as of the date of this notice may not exceed the principal amount of the debt secured thereby. The value of the assets pledged as collateral for the New Notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition and other future trends. Any claim for the difference between the amount, if any, realized from the sale of the collateral will rank equal in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations, including trade payables. Additionally, in the event that a bankruptcy case is commenced by or against us, if the value of the collateral is less than the amount of principal and accrued and unpaid interest on the New Notes and our first lien obligations, including the debt under our senior secured credit facility, interest may cease to accrue on the New Notes from and after the date the bankruptcy petition is filed.

In the future, the obligation to grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary or otherwise, is subject to the agreement governing our senior secured credit facility and related security documents. These agreements set out a number of limitations on the rights of the lenders under the senior secured credit facility to require assets to be pledged as collateral in certain circumstances, which may result in, among other things, the amount recoverable under any security provided by us or any guarantor being limited and/or security not being granted over a particular type or class of assets. Accordingly, this may affect the value of the security provided by us and the guarantors.

The security interest of the collateral agents will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the collateral agents may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. We cannot assure you that the collateral agents will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the collateral agents may not have the ability to foreclose upon those assets, and the value of the collateral may significantly decrease.

The imposition of certain permitted liens will cause the assets on which such liens are imposed to be excluded from the collateral securing the New Notes and the guarantees. There are also certain other assets that are also excluded from the collateral.

The collateral securing the New Notes may be subject to existing permitted liens. The indenture governing the New Notes (as well as our other debt agreements) also will permit liens in favor of third parties to secure additional debt, including purchase money indebtedness and capitalized lease obligations, and any assets subject to such liens will be automatically excluded from the collateral securing the New Notes to the extent the agreements governing such indebtedness prohibit additional liens. In addition, certain categories of assets, such as certain undeveloped land, vehicles or other assets subject to certificates of title that do not secure first lien obligations, assets of any non-guarantor subsidiary and capital stock or other securities of any of our foreign subsidiaries (except for 65% of the capital stock or other securities in any first-tier foreign subsidiaries), are excluded from the collateral securing the New Notes. If an event of default occurs and our payment obligations with respect to the New Notes are accelerated, the New Notes will rank equally in right with the Holders of other unsubordinated and unsecured indebtedness and other liabilities of the

relevant entity with respect to such excluded assets. As a result, if the value of the assets securing the New Notes (taking into account any secured indebtedness with a prior security interest on such asset) is less than the aggregate amount of the claims of the Holder, the Holder may not receive any substantial recovery from the excluded assets.

The New Notes will be secured by liens that rank junior to the liens securing our senior secured credit facility.

The New Notes will be secured by liens that rank junior in priority to the liens securing our senior secured credit facility. The effect of this subordination is that upon a default in payment on, or the acceleration of, any obligations under our senior secured credit facility, or in the event of our bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding, the proceeds on the sale of the collateral will be available to pay holders of the New Notes only after all obligations under our senior secured credit facility have been paid in full. As a result, if the value of the proceeds on the sale of the collateral is less than the value of the claims of the Holders of the New Notes, those claims may not be satisfied in full.

The collateral agent for the New Notes will not control decisions regarding the collateral even after repayment in full of our existing loans.

The Holders of the New Notes will be governed by, and materially limited by, intercreditor agreements. The holders of first priority lien obligations will control substantially all matters related to the collateral. As a result, the collateral agent for the first priority lien obligations could decide not to proceed against the collateral, regardless of whether or not there is a default under the credit agreement governing such first priority lien obligations. In such event, the only remedy available to Holders of the New Notes would be to sue for payment on the notes and the guarantees. In addition, the holders of the New Notes will waive a number of other important rights that would otherwise accrue to a secured creditor in bankruptcy, including the right to seek adequate protection and to object to DIP financings.

Your rights in the collateral may be adversely affected by the failure to perfect security interests in collateral.

Applicable law provides that a security interest in certain tangible and intangible assets can be properly perfected and its priority retained only through certain actions undertaken by the secured party. The liens securing the New Notes may not be perfected if the collateral agent is not able to take the actions necessary to perfect any of these liens at or prior to the date of the indenture governing the New Notes. There can be no assurance that the collateral agent on behalf of the Holders of our existing notes has taken all actions necessary to create properly perfected security interests in the collateral securing the New Notes. In addition, applicable law provides that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. We and the

guarantors have limited obligations to perfect the lenders' security interest in specified collateral. There can be no assurance that the collateral agent for the New Notes will monitor the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. The collateral agent for the New Notes has no obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the collateral or the priority of the security interest in favor of the New Notes against third parties.

Security over all of the collateral may not be in place upon the date of issuance of the New Notes.

Certain security interests may not be in place on the date of the issuance of the New Notes or may be not perfected on such date. For example, with respect to Collateral perfected by mortgages, Arch will be required to use commercially reasonable efforts to execute and record amendments to record such security interests as soon as practicable following the Issue Date, but in any event no later than 180 days after the date of the issuance of the New Notes. Any issues that we are unable to resolve in connection with

the recordation of such security interests may negatively impact the value of the collateral. To the extent a security interest in certain collateral is perfected following the date of issuance of the New Notes, it might be avoidable in bankruptcy.

If we or any guarantor were to become subject to a bankruptcy proceeding after the date of the issuance of the New Notes, any mortgage delivered after the issue date of the notes would face a greater risk of being invalidated than if we had delivered it at the issue date. If a mortgage is delivered after the issue date, it will be treated under bankruptcy law as if it were delivered to secure previously existing debt, which is materially more likely to be avoided as a preference by the bankruptcy court than if the mortgage were delivered and promptly recorded at the time of the issuance of the New Notes. To the extent that the grant of any such mortgage is avoided as a preference, you would lose the benefit of the security interest in the core property that the mortgage was intended to provide.

There are circumstances, other than repayment or discharge of the New Notes, under which the collateral securing the New Notes and guarantees will be released automatically, without your consent.

Under various circumstances, all or a portion of the collateral may be released. In addition, a guarantee of the New Notes will be released in connection with a sale or merger of the applicable guarantor in a transaction not prohibited by the indenture.

The indenture will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the New Notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the New Notes by such subsidiary or any of its subsidiaries will be released under the indenture. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the New Notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the restricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries.

No title insurance reports or policies will be delivered to the collateral agent in connection with the mortgages securing the New Notes. There will be no independent assurance, therefore, among other things, that there are no liens other than those permitted by the indenture encumbering such real properties.

No title insurance will be obtained with respect to the mortgaged properties securing the New Notes. As a result, there is and will be no independent assurance that, among other things, (i) the real property interests encumbered by the mortgages includes all of the property interests owned by us and our subsidiaries that we intended to include, (ii) that our title (or that of our subsidiaries) to such owned real property interests is not encumbered by liens and other defects not permitted by the indenture and (iii) no unpaid taxes, encroachments, adverse possession claims, zoning or other restrictions exist with respect to such owned real property interests which could result in a material adverse effect on the value or utility of such owned real property interests. Consequently, one or more of the mortgages securing the New Notes may need to be amended in the future in the event a discrepancy in the description of the real estate is discovered and/or we may need to take remedial action to resolve other matters that are disclosed by current title and lien searches.

State law may limit the ability of the collateral agent to foreclose on real property and improvements included in the collateral securing the New Notes.

The New Notes will be secured by, among other things, liens on real property and improvements located in various states. State laws may limit the ability of the collateral agent to foreclose on the improved real property collateral located therein. State laws govern the perfection, enforceability and foreclosure of mortgage liens against real property which secure debt obligations such as the New Notes. These laws may impose procedural requirements for foreclosure different from and necessitating a longer time period for completion than the requirements for foreclosure of security interests in personal property.

Debtors may have the right to reinstate defaulted debt (even if it has been accelerated) before the foreclosure date by paying the past due amounts and a right of redemption after foreclosure. Governing law may also impose security first and one form of action rules, which rules can affect the ability to foreclose or the timing of foreclosure on real and personal property collateral securing the New Notes regardless of the location of the collateral securing the New Notes and may limit the right to recover a deficiency following a foreclosure.

The collateral agent for the New Notes also may be limited in its ability to enforce a breach of the "no liens" covenant. Some decisions of certain state courts have placed limits on a lender's ability to accelerate debt as a result of a breach of this type of a covenant. Under these decisions, a lender seeking to accelerate debt secured by real property upon breach of covenants prohibiting the creation of certain junior liens or leasehold estates may need to demonstrate that enforcement is reasonably necessary to protect against impairment of the lender's security or to protect against an increased risk of default. Although the foregoing court decisions may have been preempted, at least in part, by certain federal laws, the scope of such preemption, if any, is uncertain. Accordingly, a court could prevent the collateral agent for the New Notes from declaring a default and accelerating the New Notes by reason of a breach of this covenant, which could have a material adverse effect on the ability of Holders of the New Notes to enforce the covenant.

The collateral is subject to casualty risks.

Although we maintain insurance policies to insure against losses, there are certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, it is possible that the insurance proceeds will not compensate us fully for our losses in the event of a catastrophic loss. We cannot assure you that any insurance proceeds received by us upon the total or partial loss of the pledged collateral will be sufficient to satisfy all of our secured obligations, including the New Notes.

In the event of a total or partial loss to any of the pledged collateral, certain items such as equipment, fixtures and other improvements and inventory may not be easily replaced. Accordingly, even though there may be insurance coverage, the extended period needed to manufacture or construct replacement of such items could cause significant delays.

Any future pledge of collateral might be avoidable in bankruptcy.

Any future pledge of collateral in favor of the collateral agent might be avoidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the Holders of the New Notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge or, in certain circumstances, a longer period.

We may incur additional debt that is secured by the collateral for the New Notes on a senior or parity lien basis, which may dilute the security interest of the Holders in the collateral.

The indenture that will govern the New Notes will allow us to secure any debt that we are permitted to incur on a parity lien basis with an equal and ratable security interest in the collateral securing the New Notes offered hereby and other notes secured by pari passu liens which will be offered in the concurrent exchange transactions. In addition, our senior secured credit facilities permit us to incur additional debt secured by first priority liens on the collateral securing the New Notes. These liens will rank senior to the liens securing the New Notes being offered in the Exchange Transaction. In addition, the terms of the New Notes will permit us, subject to certain limitations, to incur additional secured debt ranking equally with, or senior to, the liens securing the New Notes. To the extent any additional senior or parity liens are granted in the future, it will dilute the interests of the New Notes issued hereby in the collateral.

The security over the collateral will not be granted directly to the Holders of the New Notes.

The security interests in the collateral that will secure the obligations of Arch and the guarantors under the New Notes will not be granted directly to the Holders of such indebtedness but will be granted

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only in favor of the collateral agent on behalf of the Holders of the New Notes. As a consequence, the Holders of the New Notes will not be entitled to take enforcement action in respect of the collateral, except through the collateral agent.

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Annex E

[Certain U.S. Federal Income Tax Considerations]

ANNEX E-1

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax considerations to U.S. Holders and Non-U.S. Holders (each term as defined below and, in the aggregate, referred to as “holders”) relating to (i) the exchange of 2020 Notes for the New Notes and cash pursuant to the Exchange Transactions (the “Exchange”), (ii) the adoption of the proposed amendments to the 2020 Notes (as described in the Exchange Agreement) and (iii) the ownership and disposition of the New Notes acquired in the Exchange.

This summary does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax or Medicare tax on net investment income consequences, as well as differing tax consequences that may apply if you are, for instance:

- a financial institution;
- a regulated investment company;
- a dealer or trader in securities that uses a mark-to-market method of tax accounting;
- holding 2020 Notes or New Notes as part of a “straddle” or integrated transaction;
- a U.S. Holder (as defined below) whose functional currency is not the U.S. dollar;
- a tax-exempt entity; or

- a partnership for U.S. federal income tax purposes.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. This summary assumes that the 2020 Notes and New Notes are and will be held as capital assets for U.S. federal income tax purposes. This summary does not address any aspect of U.S. state, local, gift or estate, or non-U.S. taxation, or any taxes other than income taxes. You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

TAX CONSEQUENCES TO U.S. HOLDERS

This section applies to you if you are a U.S. Holder. You are a U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a 2020 Note or New Note and are:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Treatment of the Exchange for Participating U.S. Holders

The U.S. federal income tax consequences of the Exchange will depend in part on whether the differences in the terms of the New Notes received as compared to the 2020 Notes being exchanged therefor constitutes a “significant modification” of the 2020 Notes. Under Treasury Regulations, the modification of a debt instrument (including any exchange of debt instruments) generally is a significant modification if, based on the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are “economically significant.” The Treasury Regulations provide that a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants is not a significant modification. A modification will, however, be treated as a significant modification if it results in a sufficient change in the yield of the debt. Based on the change of yield, we expect the Exchange to be treated as a significant modification.

If the Exchange is treated as a significant modification of the 2020 Notes, a U.S. Holder that participates in the Exchange will recognize gain or loss on the Exchange unless the Exchange is treated as a recapitalization for U.S. federal income tax purposes. The Exchange will be treated as a recapitalization if both the 2020 Notes and the New Notes constitute “securities” within the meaning of the provisions of the Code governing reorganizations. This, in turn, depends upon the terms and conditions of, and other facts and circumstances relating to, the 2020 Notes and the New Notes, and upon the application of numerous judicial decisions. Most authorities have held that the term to maturity of the debt instrument is one of the most significant factors. In this regard, debt instruments with a term of ten years or more generally have qualified as securities, whereas debt instruments with a term of less than five years generally have not qualified as securities. Although the matter is not free from doubt because of the absence of authority that is directly on point, we intend to take the position that the Exchange qualifies as a recapitalization for U.S. federal income tax purposes.

Assuming that the Exchange is treated as a recapitalization, a participating U.S. Holder will recognize gain, but not loss, equal to the excess of the sum of the issue price (determined as described below under “Ownership of the New Notes—Issue Price”) of the New Notes and cash received in consideration for the 2020 Notes (other than amounts attributable to accrued interest, which will be treated as a payment of interest) over the holder’s adjusted tax basis in the 2020 Notes, but in no event will the gain recognized exceed the amount of cash received in consideration for the 2020 Notes (excluding cash attributable to accrued interest). It is unclear what portion of the consideration received by holders should be treated as attributable to accrued but unpaid interest on the 2020 Notes. As noted below under “Treatment of Additional Payments to Participating U.S. Holders,” we intend to take the position that the additional amounts paid to U.S. Holders who exchange the 2020 Notes before 5:00 p.m. New York City time on July 17, 2015 are additional consideration received for the 2020 Notes, though the tax treatment of these payments is uncertain. Except with respect to any portion of a New Note received that is attributable to accrued interest, a U.S. Holder will have a tax basis in the New Note received equal to such holder’s adjusted tax basis in the 2020 Note exchanged therefor, reduced by the amount of cash (other than cash attributable to accrued interest) received in consideration for the 2020 Note and increased by the gain, if any, recognized. A U.S. Holder’s tax basis in the portion of a New Note that is attributable to accrued interest will equal its fair market value at the time of the Exchange. A U.S. Holder’s holding period in the New Note will include the period of time during which the holder held the 2020 Note, except that the U.S. Holder’s holding period in the portion of a New Note that is attributable to accrued interest will begin the day after the day of the Exchange. In addition, any market discount on the 2020 Notes prior to the Exchange would survive the Exchange, although some or all of the market discount could effectively be converted into original issue discount, as described below.

If the Exchange fails to qualify as a recapitalization, a U.S. Holder would generally recognize gain or loss equal to the difference, if any, between the amount realized on the Exchange and the U.S. Holder’s adjusted tax basis in the 2020 Notes. The amount realized would be equal to the issue price (determined as described below under “Ownership of the New Notes—Issue Price”) of the New Notes plus the cash received in consideration for the 2020 Notes. For these purposes, the amount realized does not include any amount attributable to accrued interest on the 2020 Notes. A U.S. Holder would recognize ordinary interest

income to the extent that New Notes and cash received in the Exchange are attributable to accrued interest on the 2020 Notes that has not previously been included in income. A U.S. Holder’s holding period for a New Note received in the Exchange would commence on the date immediately following the date of the Exchange and the U.S. Holder’s initial tax basis in the New Note received would be the issue price of the New Note (determined as described below under “Ownership of the New Notes—Issue Price”). If the Exchange is treated as a wash sale within the meaning of Section 1091 of the Code, a U.S. Holder

would not be allowed to currently recognize any loss resulting from the Exchange. Instead, such loss would be deferred, and would be reflected as an increase in the basis of the New Notes. U.S. Holders should consult their own advisers regarding whether the Exchange may be subject to the wash sale rules.

Subject to the application of the market discount rules discussed in the paragraph immediately below, any gain or loss would be capital gain or loss, and would be long term capital gain or loss if at the time of the Exchange the 2020 Notes have a holding period of more than one year. The deduction of capital losses for U.S. federal income tax purposes is subject to limitations.

If a U.S. Holder holds 2020 Notes acquired at a “market discount,” any gain recognized by the U.S. Holder in the Exchange would be recharacterized as ordinary income to the extent of the accrued market discount that had not previously been included as ordinary income.

Treatment of Additional Payments to Participating U.S. Holders

The law is unclear with respect to the tax treatment of additional amounts paid to U.S. Holders who exchange the 2020 Notes before 5:00 p.m. New York City time on July 17, 2015. The receipt of such amounts may be treated either as additional consideration received in exchange for the 2020 Notes or as separate consideration for consenting to the proposed amendments, in which case the payments would constitute ordinary income to the holder. We intend to treat such payments as additional consideration paid in exchange for the 2020 Notes. U.S. Holders are urged to consult their tax advisers regarding the proper characterization and treatment of such payments for U.S. federal income tax purposes.

Treatment of the Adoption of the Proposed Amendments to Non-Participating U.S. Holders

The U.S. federal income tax consequences of the adoption of the proposed amendments to a U.S. Holder who continues to hold 2020 Notes after the Exchange Transactions will depend on whether or not, under Treasury Regulations, the adoption of the amendments results in a “significant modification” of the 2020 Notes, as described above under “Treatment of the Exchange for Participating U.S. Holders.” We intend to take the position that the adoption of the proposed amendments is not a significant modification. If, however, the adoption of the proposed amendments is treated as a significant modification, the tax consequences would depend on whether the resulting deemed exchange is treated as a recapitalization for U.S. federal income tax purposes or a taxable exchange, as described above under “Treatment of the Exchange for Participating U.S. Holders.”

Ownership of the New Notes

Contingent Payments. There are circumstances in which we might be required to make payments on the New Notes that would increase the yield of the New Notes, for instance, as described under “Description of New Notes—Repurchase at the Option of Holders Upon a Change of Control.” We intend to take the position that the possibility of such payments does not result in the New Notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is not binding on the IRS. If the IRS takes a contrary position, a holder of a New Note may be required to accrue interest income based upon a “comparable yield” (as defined in the Treasury Regulations) determined at the time of issuance of the New Notes, with adjustments to such accruals when any contingent payments are made that differ from the payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition of the New Notes would be treated as interest income rather than as capital gain. You should consult your tax adviser regarding the tax consequences if the New Notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the New Notes are not treated as contingent payment debt instruments.

Issue Price. If there has been a significant modification of the 2020 Notes, the issue price of a New Note received in the Exchange will equal the New Note’s fair market value at the time of the Exchange (reduced by the amount of any pre-acquisition accrued interest, as described under “Pre-Acquisition Accrued Interest” below) if the New Notes are considered to be “publicly traded” within the meaning of the applicable Treasury Regulations. It is expected that the New Notes will be considered “publicly traded” for U.S. federal income tax purposes.

Payments of Interest. Stated interest paid on the New Notes (other than any portion of the first interest payment treated as a return of pre-acquisition accrued interest, as described under “Pre-Acquisition Accrued Interest” below) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Pre-Acquisition Accrued Interest. If a U.S. Holder receives the New Notes after the Early Closing Date (as defined in the Exchange Agreement), a portion of the New Notes exchanged for the 2020 Notes may be allocable to interest that accrued prior to that date (the “pre-acquisition accrued interest”). A U.S. Holder may take the position that, on the first interest payment date, a portion of the interest received in an amount equal to the pre-acquisition accrued interest should be treated as a return of the pre-acquisition accrued interest and not as a payment of interest on the New Notes. Amounts treated as a return of pre-acquisition accrued interest should not be taxable when received. It is not clear in such instance whether to exclude the amount attributable to pre-acquisition accrued interest from a U.S. Holder’s basis, or to reduce a U.S. Holder’s basis by the amount of pre-acquisition accrued interest when it is received.

Original Issue Discount. If, as is expected, the principal amount of the New Notes exceeds the issue price by an amount that does not satisfy a *de minimis* test, the excess will be treated as “original issue discount” (“OID”) for U.S. federal income tax purposes.

A U.S. Holder will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant-yield method, before the receipt of cash payments attributable to this income. Under this method, a U.S. Holder generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder may make an election to include in income all interest that accrues on the New Notes (including stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant-yield method based on the compounding of interest.

AHYDO. It is expected that the New Notes will be “applicable high yield discount obligations” (“AHYDOs”), as defined in the Code, because it is expected that the yield to maturity of such New Notes will exceed the “applicable Federal rate” in effect at the time of their issuance plus five percentage points. If the New Notes are AHYDOs, under the rules applicable to AHYDOs, all or a portion of the OID that accrues on the New Notes will not be deductible by Arch. To the extent that the non-deductible portion of OID would have been treated as a dividend if it had been distributed with respect to

Arch's stock, it will be treated as a dividend to holders of the New Notes for purposes of the rules relating to the dividends-received deduction for U.S. corporate holders.

Market Discount. If a U.S. Holder's tax basis in a New Note received in an Exchange is less than the issue price of the New Note, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

If a New Note has market discount, a U.S. Holder generally will be required to treat any principal payment, any payment that is not stated interest or any gain on the sale or other taxable disposition of the New Note as ordinary income to the extent of the market discount accrued on the New Note at the time of the payment or disposition unless the U.S. Holder has previously included this market discount in income. If a U.S. Holder disposes of a New Note with respect to which there is market discount on the New Note in one of certain nontaxable transactions, accrued market discount will be includible as ordinary income as if the U.S. Holder had sold the New Note in a taxable transaction at its then fair market value. In addition, a

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U.S. Holder may be required to defer, until the maturity of the New Note or its earlier disposition (including in one of certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry the New Note.

Acquisition Premium. If a U.S. Holder's tax basis in a New Note received in the Exchange is greater than the issue price of the New Note but less than or equal to the New Note's principal amount, the holder will be considered to have acquired the New Note at an acquisition premium. Under the acquisition premium rules, the amount of OID that the holder must include in gross income with respect to the New Note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

Amortizable Bond Premium. If a U.S. Holder's tax basis in a New Note received in the Exchange is greater than the principal amount of the New Note (disregarding any pre-acquisition accrued interest), the U.S. Holder will be considered to have acquired the New Note with amortizable bond premium, in an amount equal to such excess. A U.S. Holder may elect to amortize this bond premium, using a constant-yield method, over the remaining term of the New Note. Because of the optional redemption feature of the New Notes, the value of the amortizable bond premium may be adversely affected. A U.S. Holder generally may use the amortizable bond premium allocable to an accrual period to offset stated interest otherwise required to be included in income with respect to the New Notes in that accrual period. In addition, a U.S. Holder will not be required to include any OID in income with respect to the New Notes. An election to amortize bond premium applies to all taxable debt obligations then owned or thereafter acquired and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant-yield election (as described under "Original Issue Discount" above) for the New Notes with amortizable bond premium, that election will result in a deemed election to amortize bond premium for all of the U.S. Holder's debt instruments with amortizable bond premium, and may be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

Sale, Exchange or Retirement. Upon the sale, exchange or retirement of a New Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the New Note. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under "Payments of Interest" above. A U.S. Holder's adjusted tax basis in a New Note will equal the holder's initial tax basis in the New Note, increased by the amounts of any market discount and OID that the U.S. Holder previously included in income with respect to the New Note and reduced by any amortized premium and any principal payments received and by the amounts of any other payments other than stated interest. Except as described in this paragraph, gain or loss recognized on the sale, exchange or retirement of a New Note will generally be capital gain or loss and will be long term capital gain or loss if at the time of sale, exchange or retirement the U.S. Holder's holding period for the New Note is more than one year. Exceptions to this general rule apply to the extent of any accrued market discount not previously included in the U.S. Holder's taxable income. See "—Market Discount" above.

Backup Withholding and Information Reporting. Information returns are required to be filed with the IRS in connection with the Exchange, payments on the New Notes and the proceeds from a sale or other disposition of the New Notes, unless the U.S. Holder is an exempt recipient. A U.S. Holder may also be subject to backup withholding on payments in the Exchange and payments in respect of the New Notes unless the holder provides its taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules or the U.S. Holder provides proof of an applicable exemption. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against a U.S. Holder's U.S. federal income tax liability, *provided* the required information is timely furnished to the IRS.

TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section applies to you if you are a Non-U.S. Holder. You are a Non-U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a 2020 Note or a New Note that is:

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- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

You are not a Non-U.S. Holder if you are a nonresident alien individual present in the United States for 183 days or more in the taxable year of disposition, or if you are a former citizen or former resident of the United States, in either of which cases you should consult your tax adviser regarding the U.S. federal income tax consequences of owning or disposing of a 2020 Note or a New Note.

Treatment of Additional Payments to Participating Non-U.S. Holders

As described above under “Tax Consequences to U.S. Holders — Treatment of Additional Payments to Participating U.S. Holders,” the law is unclear with respect to the tax treatment of additional consideration paid to holders who tender the 2020 Notes before 5:00 p.m. New York City time on July 17, 2015. We intend to treat such payments as additional consideration paid in exchange for the 2020 Notes. However, the payments could be seen as separate consideration for consenting to the proposed amendments, in which case the payments may be subject to U.S. withholding tax at a 30% rate (or lower applicable treaty rate). Non-U.S. Holders are urged to consult their tax advisers regarding the proper characterization and treatment of such payments for U.S. federal income tax purposes.

Ownership or Disposition of New Notes and Exchange of 2020 Notes

Payments on the New Notes. Subject to the discussion below under “FATCA,” payments of principal and interest (including OID) on the New Notes by Arch or any paying agent to a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, *provided* that, in the case of interest,

- the holder does not own, actually or constructively, ten percent or more of the total combined voting power of all classes of stock of Arch entitled to vote;
- the holder is not a controlled foreign corporation related, directly or indirectly, to Arch through stock ownership;
- the holder certifies on a properly executed IRS Form W-8BEN or W-8BEN-E, under penalties of perjury, that it is not a United States person; and
- it is not effectively connected with the holder’s conduct of a trade or business in the United States as described below.

If a Non-U.S. Holder cannot satisfy one of the first three requirements described above and interest paid on the New Notes is not exempt from withholding because it is effectively connected with the holder’s conduct of a trade or business in the United States as described below, payments of interest on the New Notes will be subject to withholding tax at a rate of 30%, or the rate specified by an applicable treaty.

Sale or Other Taxable Disposition of the 2020 Notes or New Notes. Subject to the discussions below under “Backup Withholding and Information Reporting” and “FATCA,” a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on gain realized on a sale, redemption or other taxable disposition of 2020 Notes or New Notes (including pursuant to the Exchange or any deemed exchange of 2020 Notes as a result of the adoption of the proposed amendments, as described above under “Tax Consequences to U.S. Holders—Treatment of the Adoption of the Proposed Amendments to Non-Participating U.S. Holders”), unless the gain is effectively connected with the holder’s conduct of a trade or business in the United States as described below, although any amounts attributable to accrued interest will be treated as a payment of interest. It is unclear what portion of the consideration received by holders in the Exchange should be treated as attributable to accrued but unpaid interest on the 2020 Notes.

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Effectively Connected Income. If interest or gain on a 2020 Note or a New Note is effectively connected with a holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base maintained by the holder), the holder will generally be taxed in the same manner as a U.S. Holder (see “Tax Consequences to U.S. Holders” above). In this case, the Non-U.S. Holder will be exempt from the withholding tax on interest discussed above, although the holder will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding. You should consult your tax adviser with respect to other U.S. tax consequences of the ownership and disposition of 2020 Notes and New Notes, including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate) if you are a corporation.

Backup Withholding and Information Reporting. Information returns are required to be filed with the IRS in connection with payments of interest on the 2020 Notes and New Notes. Unless a Non-U.S. Holder complies with certification procedures to establish that it is not a United States person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a 2020 Note or New Note. A Non-U.S. Holder may be subject to backup withholding on payments on the 2020 Notes or New Notes or on the proceeds from a sale or other disposition of the 2020 Notes or New Notes unless it complies with certification procedures to establish that it is not a United States person or otherwise establishes an exemption. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against a Non-U.S. Holder’s U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Provisions commonly referred to as “FATCA” impose withholding of 30% on payments of interest on debt instruments and (for dispositions after December 31, 2016) of proceeds of sales or redemptions of debt instruments to “foreign financial institutions” (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Arch intends to treat payments on the New Notes as subject to FATCA reporting requirements and, to the extent applicable, FATCA withholding.

Holders should consult their own tax advisers regarding the effects of FATCA on their investment in the New Notes.

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