

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-12900 (SCC)**

**(Jointly Administered)**

**ORDER APPROVING THE SETTLEMENT AGREEMENT  
BETWEEN THE EVANSVILLE GREENWAY PRP GROUP AND SOLAR  
SOURCES, INC. AND FOR RELIEF FROM THE AUTOMATIC STAY**

Upon the motion dated November 27, 2012 (the “**Motion**”)<sup>2</sup> of Patriot Coal Corporation and its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, and, to the extent applicable, section 362(d) of the Bankruptcy Court; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 19, 1984 (Ward, Acting C.J.), as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding that the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided in accordance with the Case Management Order; and it appearing that no other or further notice need be provided; and there being no objections to the Motion; and the

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<sup>1</sup> The Debtors are the entities listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings set forth in the Motion.

Court having reviewed the Motion; and the relief requested in the Motion being in the best interests of Heritage and its estate and creditors; and Heritage having articulated good, sufficient and sound business justifications and compelling circumstances for the Settlement Agreement; and the settlement and compromise reflected in the Settlement Agreement being both fair and reasonable to all of the Parties; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the relief requested in the Motion is hereby granted as set forth herein; and it is further

ORDERED that the Settlement Agreement attached hereto as Exhibit 1 is hereby approved pursuant to Bankruptcy Rule 9019; and it is further

ORDERED that the automatic stay imposed by section 362 of the Bankruptcy Code, to the extent applicable, is hereby lifted solely to the extent necessary to permit the payment of insurance proceeds by Resolute pursuant to the Settlement Agreement; and it is further

ORDERED that Heritage is authorized to execute and deliver any documents or other instruments that may be necessary to consummate the resolution contemplated by the Settlement Agreement; and it is further

ORDERED that Heritage is authorized to take and perform such other actions as may be necessary or appropriate to implement and effectuate the Settlement Agreement; and it is further

ORDERED that payment to Solar pursuant to the Settlement Agreement shall be in full and complete satisfaction of any and all claims that Solar and its affiliates have or may have against the Debtors in connection with or relating to the Civil Action; and it is further

ORDERED that, except for payment to Solar pursuant to the Settlement Agreement, as set forth herein, upon entry of this Order, Solar on behalf of itself and its successors and assigns does hereby fully, finally and forever mutually waive, release and/or discharge the Debtors and their respective heirs, successors, assigns, affiliates, officers, directors, shareholders, associates, parents, subsidiaries, predecessors, successors, employees, attorneys and agents from any claim (whether prepetition unsecured, secured, priority or administrative) and from all related actions, causes of action, suits, debts, obligations liabilities, accounts, damages, defenses, or demands whatsoever, known or unknown, arising out of or relating to the Civil Action or any related agreement; and it is further

ORDERED that, upon entry of this Order, the PRP Group, Mead Johnson and Vectren, on behalf of themselves and their respective successors and assigns do hereby fully, finally and forever mutually waive, release and/or discharge the Debtors and their respective heirs, successors, assigns, affiliates, officers, directors, shareholders, associates, parents, subsidiaries, predecessors, successors, employees, attorneys and agents from any claim (whether prepetition unsecured, secured, priority or administrative) and from all related actions, causes of action, suits, debts, obligations liabilities, accounts, damages, defenses, or demands whatsoever, known or unknown, arising out of or relating to the Civil Action or any related agreement; and it is further

ORDERED that, notwithstanding the possible applicability of Bankruptcy Rules 4001(d), 6006(d), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that, other than as set forth herein, nothing in this Order shall constitute (1) a waiver, modification or limitation of the Debtors' or Resolute's rights, remedies and defenses under any insurance policy or (2) a finding that any amounts are due and owing under any insurance policy; and it is further

ORDERED that this Court retains jurisdiction (i) to interpret, implement and enforce the terms and provisions of the Settlement Agreement and (ii) with respect to all matters arising from or related to the implementation of this Order.

Dated: December 18, 2012  
New York, New York

/s/ Shelley C. Chapman  
HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**  
**Settlement Agreement**

## BARNES & THORNBURG<sup>LLP</sup>

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Indianapolis, IN 46204-3535  
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### CONFIDENTIAL SETTLEMENT COMMUNICATION

November 5, 2012

#### VIA ELECTRONIC MAIL AND REGULAR MAIL

G. Daniel Kelley, Jr.  
Ice Miller LLP  
One American Square, Suite 2900  
Indianapolis, Indiana 46282-0200  
daniel.kelley@icemiller.com

Re: *Settlement Agreement in Evansville Greenway PRP Group v. Solar Sources Inc.,  
Seventh Circuit Cause Nos. 12-1700 & 12-1862*

Counsel:

I write on behalf of the Evansville Greenway PRP Group (the "PRP Group") in order to memorialize the settlement agreement the parties have reached in this matter. As the matter now stands, the parties have agreed to the following terms:

1. The entry into and execution of this Letter Agreement by Heritage Coal Company, LLC ("Heritage") is conditioned upon approval by the Bankruptcy Court of the Southern District of New York ("the Bankruptcy Court". Heritage shall use commercially reasonable efforts to obtain an order of the Bankruptcy Court providing such approval (the "Bankruptcy Approval Order") on or before December 15, 2012 on such notice and after such hearing as the Bankruptcy Court may require. If (a) the Bankruptcy Court enters an order denying approval of this Settlement Agreement with prejudice, (b) the Bankruptcy Approval Order is not entered on or before December 15, 2012 unless Solar Sources, Inc. ("Solar") agrees to extend such date, this Letter Agreement shall be null and void as to Heritage, and Heritage shall not be bound by this Letter Agreement or any of its terms.

G. Daniel Kelley, Jr.  
November 5, 2012  
Page 2

2. The PRP Group will pay the judgment of \$361,273.58 plus \$614 interest, a total of \$361,887.58 as a final settlement of all claims that were or could have been raised in this matter.
3. The payment will be made by three separate checks made payable to "Solar Sources, Inc." The checks will be in the following amounts: (1) as to Mead Johnson & Company, LLC., \$120,731.52 (2) as to Vectren Corp., \$120,731.52; and (3) subject to entry of the Bankruptcy Court Approval Order, as to Heritage's insurance carrier, \$120,424.54.
4. Checks for \$120,731.52 each will be tendered to Solar by Mead Johnson & Company, LLC and Vectren Corp. on behalf of Solar no later than November 5, 2012.
5. Subject to entry of the Bankruptcy Approval Order, the check for \$120,424.54 from Heritage's insurance carrier will be tendered to Solar no later than December 24, 2012. Heritage shall also take all necessary steps and act in good faith to obtain payment from its insurance carrier as expeditiously as possible.
6. Subject to entry of the Bankruptcy Court Approval Order, if Heritage's insurance carrier has not paid the full amount described in Paragraph 2 to Solar on or before December 24, 2012, Mead Johnson & Company, LLC and Vectren Corp. shall be jointly and severally liable for any amount owed by Heritage and/or its insurance carrier under this agreement that remains unpaid. Any amounts remaining shall be paid by Mead Johnson & Company, LLC. and Vectren Corp. in equal shares by December 28, 2012.
7. To the extent Solar collects any amount from Mead Johnson & Company, LLC and Vectren Corp. pursuant to Paragraph 6, Solar shall assign its judgment against the PRP Group to Mead Johnson & Company LLC and Vectren Corp. However, any assignment under this Paragraph 7 does not cancel, change, or otherwise affect the judgment, if Solar has otherwise satisfied the requirements of Paragraph 8.
8. In exchange for and upon the receipt of the payment described in Paragraph 2, Solar agrees that the parties shall jointly move to dismiss with prejudice the appeal currently pending in the Seventh Circuit and thereafter Solar shall file a suitable notice of satisfaction of judgment with the district court. The parties agree that pursuant to applicable law, the judgment remains res judicata and preclusive of any claim that was or could have been brought in this lawsuit by the PRP Group, its members, or Solar Sources, Inc.
9. The parties agree that this Letter Agreement may only be modified by a writing signed by all parties.

G. Daniel Kelley, Jr.  
November 5, 2012  
Page 3

Please review these terms and inform us immediately if you believe they in any way misstate the parties' understanding. If not, please have your client sign this letter agreement and return it to me as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark J. Crandley', written in a cursive style.

Mark J. Crandley



G. Daniel Kelley, Jr.  
October 30, 2012  
Page 4

Signed and agreed:

\_\_\_\_\_  
Solar Sources Inc.

By Felton Bowman

its CEO

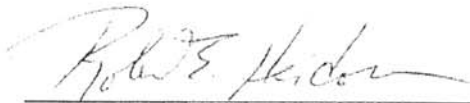
Signed and agreed:

\_\_\_\_\_  
Mead Johnson & Company, LLC

By \_\_\_\_\_

its \_\_\_\_\_

Signed and agreed:

  
\_\_\_\_\_

Vectren Corp.

By Robert E. Heidorn

its VP, General Counsel

G. Daniel Kelley, Jr.  
November 5, 2012  
Page 4

Signed and agreed:

\_\_\_\_\_  
Solar Sources Inc.

By Felson Bowman

its CEO

Signed and agreed:

  
\_\_\_\_\_  
Mead Johnson & Company, LLC

By Stanley P. Barringer Jr

its Asst Secretary and  
Region General Counsel, Americas & Europe

Signed and agreed:

\_\_\_\_\_  
Vectren Corp.

By \_\_\_\_\_

its \_\_\_\_\_

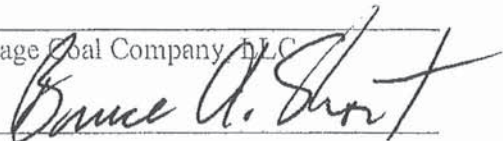
G. Daniel Kelley, Jr.  
November 5, 2012  
Page 5

Signed and agreed:

*ERW*

Heritage Coal Company, LLC

By



its

VICE PRESIDENT