

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11
Case No. 12-51502-659
(Jointly Administered)

#4460

**ORDER PURSUANT TO 11 U.S.C. §§ 1113, 1114(e) AND 105(a) AND
FED. R. BANKR. P. 9019(a) AUTHORIZING ENTRY INTO NEW COLLECTIVE
BARGAINING AGREEMENTS AND MEMORANDUM OF UNDERSTANDING
WITH THE UNITED MINE WORKERS OF AMERICA**

Upon the motion dated August 13, 2013 (the “**Motion**”)² of Patriot Coal Corporation and its subsidiaries that are Debtors and Debtors in Possession in these proceedings, for entry of an order pursuant to Sections 1113, 1114(e) and 105(a) of Title 11 of the United States Code (the “**Bankruptcy Code**”), and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; 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 venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered on March 22,

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion (as defined herein). The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ Chapter 11 petitions.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

2013 [ECF No. 3361]; and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and having held a hearing with appearances of parties in interest noted on the record thereof (the “**Hearing**”); and the relief requested in the Motion being in the best interests of the Debtors and their respective estates and creditors; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing 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 Settlements and all of the terms and provisions thereof are hereby approved in their entirety, and the Debtors are authorized to enter into the New CBAs, the MOU, a VFA and such other documents as are necessary for the implementation thereof, and perform all their obligations thereunder and to take such actions as may be necessary in connection with or in furtherance thereof; *provided, however,* that nothing in this paragraph shall exempt the Debtors from seeking approval from this Court for any transaction that requires such approval under the Bankruptcy Code; and it is further

ORDERED that the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees, is authorized to enter into and implement the New CBAs, the MOU, a VFA and such other documents as are necessary for the implementation thereof, subject to the ratification thereof, as applicable; and it is further

ORDERED that, subject to their execution, the New CBAs, the MOU and the VFA, in accordance with the respective terms of such agreements, shall be binding on the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees, as applicable; and it is further

ORDERED that the 1114 Settlement shall be binding on the UMWA, in its capacity as authorized representative of the UMWA Retirees, and each of the UMWA Retirees; and it is further

ORDERED that the Existing CBAs are terminated, and, upon the date of the execution of the New CBAs, are thereby replaced by and superseded in their entirety; and it is further

ORDERED that the Debtors are authorized to take all actions necessary or appropriate to implement the relief granted in this Order; and it is further

ORDERED that, if the Obligor Debtors' obligations to provide the Retiree Benefits ceases on or prior to December 31, 2013 as a result of a failure by the VEBA to deliver the full amount of the VEBA Payment at the conclusion of the Cure Period, then after such cessation, no Obligor Debtor shall be or be deemed to be a sponsor, fiduciary or administrator (within the meaning of or under ERISA or any like term under any other applicable law) of any NBCWA Individual Employer Plan or any other plan, agreement or arrangement covering the UMWA Retirees; and it is further

ORDERED that, if the Obligor Debtors' obligations to provide the Retiree Benefits to the Squaw Creek Group ceases as a result of a failure by the VEBA to deliver the full amount of the ALCOA VEBA Payment at the conclusion of the ALCOA Cure Period, then after such cessation, no Obligor Debtor shall be or be deemed to be a

sponsor, fiduciary or administrator (within the meaning of or under ERISA or any like term under any other applicable law) of the Heritage Coal Company LLC's Individual Employer Plan or any other plan, agreement or arrangement covering the Squaw Creek Group; and it is further

ORDERED that, effective January 1, 2014, the Obligor Debtors' Retiree Benefits obligation to the UMWA Retirees pursuant to any NBCWA Individual Employer Plan or otherwise, and sponsorship and administration of such plans, shall be assumed by the VEBA, and the Obligor Debtors shall have no obligation to the UMWA Retirees or the UMWA with respect to the Retiree Benefits, with the sole exception of satisfying its obligation to maintain the NBCWA Individual Employer Plan obligations for the UMWA Retirees assumed by the VEBA by making the contributions to the VEBA specified in the VFA; and it is further

ORDERED that, after December 31, 2013, no Obligor Debtor shall be or be deemed to be a sponsor, fiduciary or administrator (within the meaning of or under ERISA or any like term under any other applicable law) of any NBCWA Individual Employer Plans or any other plan, agreement or arrangement covering the UMWA Retirees; and it is further

ORDERED that, on the later of the date that the VEBA receives the entire amount of the Initial Investor Payment (as defined in the VFA) and the effective date of the Debtors' plan of reorganization, except with respect to the VEBA Funding Amount (as defined in the VFA) and as otherwise expressly set forth in the New CBAs and the MOU, the UMWA, on behalf of itself and as representative of the UMWA Employees, and to the full extent of its authority as the authorized representative of the UMWA Retirees

under Section 1114 of the Bankruptcy Code, shall waive and release, and be deemed to have waived and released, any and all claims of any nature, whether liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, against the Debtors and their successors and affiliates, and the officers, directors, employees, agents and affiliated persons of each of the foregoing, arising directly or indirectly from the Existing CBAs or the Retiree Benefits, and any and all proofs of claim filed on account of or to the extent they include any such claim, including, but not limited to, claims arising from the amendment, modification, rejection, transfer or termination of any NBCWA Individual Employer Plan or any collective bargaining agreement, including the Existing CBAs, shall, without the need for further notice or court approval, be disallowed and expunged from the Debtors' claims register, in each case, solely with respect to the portion of the proofs of claims relating to such a claim, and the Debtors' claims and noticing agent and the Clerk of the Bankruptcy Court shall thereafter be authorized and directed to amend the claims register accordingly; and it is further

ORDERED that, to the extent permitted by law, the VEBA shall jointly and severally, release and indemnify and hold harmless the Obligor Debtors, their successors and affiliates, their officers, directors, employees, agents and affiliated persons, and any third-party administrator retained by the Obligor Debtors (collectively, the "**Indemnified Persons**") for any loss, claim, damage or expense (including attorneys' fees and expenses, accountants' fees and expenses, special, direct and consequential damages, fines and penalties) when and as incurred by the Obligor Debtors and such Indemnified Persons arising out of or in connection with the provision or administration of the Retiree Benefits or the administration of the plans under which such Retiree Benefits are

provided or the performance of their duties or pursuant to instructions received by the Obligor Debtors from the UMWA, the VEBA or their duly authorized agents as set forth in Article XX, Section (a)(4)(ii)-(v) of the New CBAs and shall fully reimburse the Obligor Debtors and such Indemnified Persons for any such attorneys' or other fees and expenses when and as incurred by them in connection with any claim, action, proceeding or activities of the Obligor Debtors and such Indemnified Persons arising out of the provision or administration of the Retiree Benefits or the performance of their duties set forth in Article XX, Section (a)(4)(ii)-(v) of the New CBAs; and it is further

ORDERED that entry into the Settlements by the Debtors and the UMWA and the performance and fulfillment of their obligations thereunder, does not constitute the solicitation of a vote on a plan of reorganization, does not violate any law, including the Bankruptcy Code, and does not give rise to any claim or remedy against any of the Debtors or the UMWA; and it is further

ORDERED that the effect of this Order shall survive the conversion, dismissal and/or closing of these Chapter 11 cases, appointment of a Chapter 11 trustee, confirmation of a plan of reorganization and/or the substantive consolidation of these Chapter 11 cases with any other case or cases; and it is further

ORDERED that, nothing herein or in the New CBAs, the MOU or the VFA limits the right of any party in interest under Section 1109(b) of the Bankruptcy Code to appear and be heard in these Chapter 11 cases; and it is further

ORDERED that this Order shall be binding on any subsequent Chapter 11 or Chapter 7 trustee that may be appointed or elected in these Chapter 11 cases or any succeeding Chapter 7 case; and it is further

ORDERED that notwithstanding the possible application of Bankruptcy Rule 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and no other or further notice of the Motion or the entry of this Order shall be required.


KATHY A. SURRATT-STATES
Chief United States Bankruptcy Judge

DATED: August 22, 2013
St. Louis, Missouri
jjh

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