

AGREEMENT

between
BIG RIDGE, INC.
of
EQUALITY, ILLINOIS

and

**INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS
AND HELPERS, AFL-CIO
LOCAL NO. S-8**

**COVERING THE OPERATION of the
WILLOW LAKE MINE (UNDERGROUND,
PREPARATION PLANT, and
UNDERGROUND RECOVERY),
BIG RIDGE PORTAL NO. 1, and
BIG RIDGE PORTAL NO. 2**

2007 to 2011

AGREEMENT

This agreement is hereby made and entered into at Equality, Illinois this April 16, 2007, by and between BIG RIDGE, INC. hereinafter referred to as the "Company" or "Employer" and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers hereinafter referred to as the "Union."

Article I

RECOGNITION AND CHECKOFF

Section 1: The Company recognizes the Union as the exclusive bargaining agent for all production and maintenance Employees, and truck drivers employed at the Willow Lake Mine (Underground, Preparation Plant, and Underground Recovery), Big Ridge Portal No. 1, and Big Ridge Portal No. 2, excluding all office and clerical workers, watchmen, laboratory technician, guards, sample takers, professional and supervisory employees within the meaning of the Labor Management Relations Act and all other employees.

Employees represented by the "Union," and covered by this Agreement, are hereinafter referred to as "Employee" or "Employees."

Section 2: The Company will make reasonable payroll deductions as authorized in writing (*assignment*) by each Employee of dues and fees. The Company will forward each pay period the amount of such deductions to the International Union as designated in writing by the Union with a copy of the deduction sheet. In addition, the Union will notify the Company in writing of any Union authorized assessments to be deducted from each Employee's paycheck.

The Company will notify the Local Financial Secretary in writing of the dues, fees and assessments deducted from each Employee's paycheck for the proceeding three (3) calendar months. This notice will be provided by the 20th day of the month following each three (3) month calendar period. The notice will state "no deductions" and the reason no deductions were withheld (i.e. quit, laid off, off sick or injured, retired, etc.).

It is also agreed by the Union that it will defend, indemnify and save harmless the Company against any and all claims made upon or suits instituted against the Company arising out of any action of the Company taken pursuant to this Section. The Union shall not be responsible for the Company's attorney fees.

The assignment (Employee written authorization) shall be irrevocable for the period of one (1) year or until the termination of this Agreement, whichever occurs sooner. The assignment will be automatically renewed for successive periods of one (1) year or for the duration of successive Agreements between the Company and the Union whichever is the shorter period, unless the Employee notifies the Union and the Company not more than twenty (20) days and not less than ten (10) days prior to the expiration of these respective periods of his intent and desires to revoke the assignment.

It is further agreed that it shall be a condition of employment that all Employees of the Company covered by this Agreement, shall be, or become, members of the Union to the extent and in the manner permitted by applicable Federal and State law, on and after the thirtieth day following the date of their employment, or after the effect date of this Agreement for those Employees hired before such effective date.

Section 3: In the event the Company adds new portals, new preparation plants, or new ventilation facilities as part of its coal producing and/or coal processing operation covered by this Agreement, Employees at these facilities shall be covered by this Agreement.

Section 4: In the event the Company elects to sell or otherwise transfer its operation covered by this Agreement, it will notify the Union, as soon as practical, but no later than when a definitive agreement to make the sale has been entered into, of the identity of the buyer and the effective date of the sale.

Article II
SEPARABILITY

Both the Company and the Union agree that no Article or provision of this Contract is intended to violate any existing Federal or State law. In the event that any provisions of this Agreement should be declared illegal under Federal or State laws, or because of ruling by Federal or State agency having jurisdiction over such matter, all other provisions of this Agreement shall remain in full force and effect.

Article III
THE RIGHTS OF MANAGEMENT

Nothing in this Agreement shall be construed to limit or impair the right of the Company to exercise its sole discretion on all of the following matters, whatever may be the effect on employment, subject to the express restrictions on such rights as are provided in this Agreement.

To manage its business generally;

To hire, layoff, assign, transfer and promote;

To determine the fitness, qualifications and ability of Employees;

To discipline, suspend and discharge Employees for just cause;

To create new job classifications and to fix their rates for the balance of the contract term;

To determine job content;

To determine and set job specifications;

To abolish unused job classifications;

To administer, install and abolish any incentive program except for the wage incentive program in Exhibit B (Big Ridge, Inc. Wage Incentive Program).

To determine the starting and quitting time;

To determine the number of hours to be worked per day and week to assign Employees to the mine and section where they are needed to work;

To make such reasonable rules and regulations as it may from time to time deem best for maintaining order, safety and for effective operation and after advance notice to the Union and Employees to require compliance by the Employees;

To determine machines, tools and equipment to be used;

To determine the products to be processed;

To determine schedules of production;

To determine standards of production;

To determine the number and location of plants;

To move or remove the plant or any of its operations to other areas;

To determine the method, processes, place and means of processing (including raw materials and processed and finished goods);

And to in its sole business discretion, contract out any work covered by this Agreement when it deems it necessary for any reason to do so.

Article IV HOURS OF WORK AND OVERTIME PAY

Section 1: The established workweek for the computation of overtime consists of seven (7) days beginning 12:01 a.m. on Monday and ending 12 o'clock Midnight the following Sunday. The Employer may, with 30 days advance notice, adjust the beginning day and time, and ending day and time of the workweek, consistent with applicable laws.

Section 2: Employees must work overtime when

requested to do so. The Company will notify the Employee one (1) hour and fifteen (15) minutes before his shift ends if the Employee must work overtime that day unless the Company is unable to do this because of any emergency machine breakdown, rush order or some unforeseen cause.

Overtime pay at time and one-half (1 ½) the Employee's regular straight time hourly rate as detailed on Exhibit "A" attached hereto, will be paid for all time actually worked in excess of forty (40) straight time hours in any one (1) work week.

Section 3: Overtime work will be assigned to those Employees who normally perform the work. Overtime will be distributed on an equitable basis to the extent practicable among the Classifications ("Exhibit A"), and/or work groups who normally share the overtime work. An overtime roster will be kept for the purpose of meeting this objective.

Section 4: The Company may institute a six (6) and three (3) schedule requiring Employees to work six (6) days in a row with the following three (3) days off. During the three (3) day off period the Employee shall not be required to work unless the Company gives the Employee notice at least twenty four (24) hours prior to the commencement of the three (3) day off period.

Section 5: If an Employee shows up for work on his regularly scheduled day and has not been notified by the Company for some reason that the shift will not be working, the Employee shall be entitled to four (4) paid hours for showing up.

Section 6: Shift Differential. Employees regularly assigned to and working a fixed third shift will receive an additional thirty-five (\$.35) cents per hour for each hour worked during their normal shift, up to a maximum of eight (8) hours per shift.

Surface Employees who work a modified schedule with a twelve (12) hour rotating shift, and who are working any regularly scheduled shift that begins on or after 12:01 PM, shall receive an additional thirty-five (\$.35) per hour shift differential for each hour worked on the regularly scheduled twelve (12) hour shift.

Section 7: Work Day. For pay purposes, paid time for all Employees who work underground will begin and end at the portal. Employees will be paid their regular hourly rate as detailed in "Exhibit A". However, in addition to a work day with portal to portal pay, Employees will receive pay from the beginning of the designated starting time of their respective shifts, as required by applicable laws and regulations.

Section 8: The work day will include a thirty-minute (30) lunch period which will be staggered during the shift so as not to interfere with production.

Article V HOLIDAYS

Section 1: The following holidays will be observed by the Company.

- | | |
|---------------------|--------------------------------|
| a. New Years Day | f. Christmas Eve |
| b. Memorial Day | g. Christmas Day |
| c. July 4th | h. Easter |
| d. Labor Day | i. Birthday (Effective 1/1/08) |
| e. Thanksgiving Day | j. Floating Holiday* |

*Floating holiday may be taken at such time as is mutually agreeable between the Employee and mine management, provided at least 48 hours notice is given. New Employees hired after the effective date of this Agreement will not be eligible in the calendar year hired, but will be eligible for the floating holiday in the next calendar year following date of hire.

Section 2: Employees who have completed their probationary period will receive an allowance of eight (8) hours pay at the Employees regular straight-time hourly rate for each of the holidays in Section 1 of this Article provided:

a. The Employee works the scheduled hours on the work day before the holiday and the scheduled hours on the next work day following the holiday, unless the absence is due to illness or injury or reasonable cause. Illness or injury must be supported by a medical report if requested by the Company;

b. Perform some work during the thirty (30) calendar days unless due to illness or injury;

c. The Employee worked on the holiday when scheduled to do so.

Section 3: When any of the holidays set forth in Section 1 of this Article fall on a Saturday or a Sunday, the Company may, at its discretion, grant the preceding Friday or succeeding Monday off with pay, rather than pay the allowance provided for in Section 2 of this Article.

Section 4: When one of the holidays set forth in Section 1 of this Article falls within the vacation period of any Employee, the Company may, in its discretion, grant an extra day off with pay or grant eight (8) hours pay at the Employee's regular straight-time hourly rate in lieu of the holiday.

Section 5: Any sick or injured Employee who is eligible for holiday pay under this section, will be provided a full holiday pay, regardless of any workers' compensation payments the Employee may be entitled to. It is understood that such Employees will not be entitled to take time off at a later date during the calendar year. The eligibility for this holiday pay for sick and injured Employees shall not exceed twelve (12) months in accordance with Article VIII, Section 6, Paragraph G of this Agreement.

Article VI PERSONAL DAYS

Section 1: Each Employee will be permitted to take off three (3) paid days of eight (8) hours each during each calendar year to attend to personal business. To utilize personal business day, the Employee must notify his supervisor at least one (1) hour prior to his scheduled shift of his intention to be absent. Personal days may not be carried over into the next calendar year, and any unused paid personal days, will be paid for on February 5th of the following year. New Employees hired after the date of the Agreement will not be eligible in the calendar year hired, but will be eligible for the three (3) paid personal days in subsequent calendar year.

Article VII
VACATIONS

Section 1: The hiring anniversary date for each Employee shall be the date used in ascertaining eligibility for vacation pay. Employees must work one year during the qualifying period in order to receive full vacation pay.

Section 2: Employees who have been employed continuously by the Company and have completed at least one (1) year of active regular employment, during the twelve (12) month period shall be entitled to two (2) weeks (80 hours) of paid vacation to be taken the first seven (7) days in July and from Christmas to New Years.

Section 3: Vacation pay shall be figured on the daily incentive rate at the time of vacation.

Section 4: Vacations from one (1) year cannot be carried over to the succeeding year. An Employee, with management approval, may elect to receive pay in lieu of taking vacation time off.

Section 5: It is understood that in the event a paid holiday as heretofore defined falls within an Employees vacation, such holidays shall be paid in addition to the regular vacation pay.

Section 6: Eligible Employees who are absent due to illness or injury during the vacation period are provided full vacation payment at the time the respective vacation period occurs. It is understood that such Employees will not be allowed to take time off at a later period during the calendar year. The eligibility for this vacation pay for sick and injured Employees shall not exceed twelve (12) months in accordance with Article VIII, Section 6, Paragraph G of this Agreement.

Section 7: Employees who volunteer to work through the vacation periods may take their vacation at other times throughout the year. These alternative vacation periods must be observed in the current calendar year, and may be scheduled at times mutually agreed between the Employee and Mine Management.

Article VIII SENIORITY

Section 1: Seniority is defined as length of service in the Employer's bargaining unit. Seniority as defined in this Article reflects length of service only.

For any regular full-time Employee hired after the effective date of this Agreement, the seniority date shall be the first date an Employee working under this Agreement is paid for actually working at the Willow Lake Mine.

Section 2: Any newly hired regular full-time Employee will be regarded as a Probationary Employee for the first thirty (30) calendar days. If the Company finds that any Probationary Employee does not meet the necessary qualifications, the Company will be under no obligation to retain this Probationary Employee or re-employ an Employee who is discharged or laid off during this thirty (30) calendar pay period. No grievance may be filed by or on behalf of a Probationary Employee.

Section 3: When laying off Employees, job seniority shall govern only when ability to do the job and qualifications of Employees are approximately equal. In the aforementioned instances, the Employee should have the ability and qualifications as opposed to being able to develop same. Management shall be the sole judge of an Employee's qualifications and abilities. When an Employee can demonstrate that management has acted in bad faith and has violated the specific provisions of this Article, a grievance may be filed and processed in accordance with Article X. The Company will provide the local Union officials with twenty-four (24) hours advance notice of reductions in force and realignments when such realignments are being done in conjunction with a reduction in force, except for circumstances beyond the control of the Company.

Section 4: Employees laid off because of reduction in the work force will be offered re-employment consistent with Section 5, in the reverse order of lay off, where the Employees have the present necessary fitness, qualifications and the demonstrated abilities to the satisfaction of the Company to do the required work.

Section 5: Upon the execution of this Agreement, and at

boards a seniority list (length of service) of all Employees covered by this Agreement.

Section 6: The seniority of an Employee shall be terminated when:

- A. He voluntarily quits;
- B. He is discharged for just cause;
- C. He fails to return to work with seven (7) days after written notice of recall sent by the Company to his last known address on the Company records
- D. He retires;
- E. He is laid off for a period that exceeds twelve (12) months;
- F. He overstays an approved leave of absence;
- G. He is absent due to physical disability in excess of twelve (12) months;
- H. He is absent one (1) day without notifying the Company, except due solely to documented physical incapacitation.

Section 7: Vacancy Posting Process - The Company will implement a vacancy posting process for Employees who want to be considered for regular full-time vacancies. The VPP process will be implemented within sixty (60) days after the effective date of this Agreement.

Section 8: Upon execution of this Agreement and thereafter, Employees transferred or promoted out of the bargaining unit to accept non-bargaining unit positions with the Employer shall have forty-five (45) calendar days to return to the bargaining unit. During this forty-five day period, the Employee who has been transferred or promoted will retain, but no longer accrue, seniority in the bargaining unit. After the forty-five (45) calendar days, all bargaining unit seniority of such Employee terminates.

Article IX

INSURANCE

Section 1: The Company presently has a group health insurance program and a group dental program available to all Employees and dependents at no cost to the Employees.

The Employer may change, at its discretion, third-party administrators for benefit plans provided that benefit levels are substantially equivalent under the new third-party administrator.

Section 2 - Short-term Disability: Effective January 1, 2008, a Short-term Disability Plan (STD) is provided by the Company at no cost to all regular full-time Employees of Willow Lake Mine. The STD Plan will provide payments to help replace lost income for eligible Employees who have become disabled due to non-occupational accident or illness. Disability payments will be \$200 per week benefit (maximum of 13 weeks). Eligibility requirements, claim and payment procedures, duration of benefits, terms and definitions, and review and appeal procedures, etc. are as described in the plan handbook. (In all cases the actual plan document for the STD is controlling).

Section 3: The Company will offer a vision care program, at a group rate (to be paid by the Employee through a payroll deduction) for the Employee and eligible dependents. Participation in the vision care plan is optional.

Article X GRIEVANCE PROCEDURE

Section 1: Should a dispute arise between the Union and the Company or between an Employee and the Company concerning the application or interpretation of this Agreement, such dispute will be resolved in the following manner:

STEP 1: The aggrieved Employee and/or the Union Committeeman shall present the grievance to a supervisor where the Employee works. Nothing herein shall prevent an Employee from presenting a grievance directly to the supervisor outside the presence of the Union Committeeman if the Employee wishes to do so. Grievances of a serious nature which necessitate immediate resolution may be presented during work hours. No grievance will be considered unless it shall have been presented in this Step 1 within ten (10) working days of the event out of which the grievance arose. The supervisor must give his answer to the grievance within (5) working days after having the grievance presented. Grievances at Step 1 may be oral or in writing. However, settlement or withdrawals

withdrawals at this step will be non-precedent setting in the handling of other grievances.

Working days, for purpose of this article, will be Monday through Friday.

STEP 2: If not settled at Step 1, the Union through the Grievance Committee, must submit the grievance in writing to management within five (5) working days following the answer of the supervisor to the grievant. The written grievance submitted at Step 2 must specify the article, section and item that the grievance is based on.

Mine management and the Grievance Committee or other designated Union official shall discuss the grievance and mine management shall give his answer within five (5) working days after the grievance was submitted to him. In the event the Union is not satisfied with the answer by Mine management, the grievance may be submitted to Step 3 within five (5) working days next following mine managements' answer as given in this Step 2.

STEP 3: The International Union Representative, the Grievance Committee, and mine management shall discuss the grievance and the Company shall give its answer within five (5) working days next following the discussion. In the event the Union is not satisfied with the answer, the grievance may be submitted to arbitration within the ten (10) working days next following the answer as given in this Step 3.

Section 2: The Arbitrator unless otherwise agreed upon shall be selected by the parties by requesting that the Director of the Federal Mediation and Conciliation Service supply a panel of seven (7) names to the parties for their use in selecting the Arbitrator. Each party shall be permitted to strike names from the panel so submitted, alternately, until only one (1) name remains on the panel list.

The name of the person remaining un-stricken shall be the Arbitrator. Each party shall bear the expense of its representative. The expense of the Arbitrator shall be equally divided between the Union and the Company. The decision of the Arbitrator shall be final and binding on both parties.

Section 3: The Arbitrator shall consider only the particular grievance presented to him in the written stipulation by the Company and the Union. The Arbitrator's decision must be based solely upon an interpretation of the provisions of this Agreement and the Arbitrator shall have no power to amend, take away, ignore, modify, add to, or change any of the terms and provisions of this Agreement in making an award with respect to such a grievance, nor shall the Arbitrator have power to rule on any matters reserved to management's discretion under the rights of management.

Section 4: No Employee or Union Official shall engage in Union activities, processing of grievances, negotiations, or other business which results in the neglect of work or interferes with the work of others, either during his/her or another Employees working hours, except where permission is granted by the Company.

At any meeting called for the purpose of disciplining an Employee (this reference is to a formal meeting, not other type encounters as happen during the day), the Employee shall have the right to have a Union Representative present if he/she so chooses. Copies of written notices of disciplinary action (up to and including discharge) issued to an Employee will be provided to the local Union Officials.

Section 5: Time limits established in this grievance and arbitration procedure must be strictly adhered to unless mutually waived in writing by the Union and the Company. Any grievance on which disposition is not made by the Company within the prescribed time limit may be appealed by the Union to the next level; this time limit runs from the date the Company's time expired. In the event the Union fails to comply with the time limits as written, the grievances will be deemed closed on the basis of the last answer.

Article XI
DISCHARGE PROCEDURE - EXPEDITED
ARBITRATION

1). Any Employee discharged for just cause will be notified in writing with a copy of the notice given to the local Union officials.

2). The discharged Employee or Union may request a meeting with Management within two (2) days (Monday through Friday) to review the facts and the reasons for the discharge. This two (2) day period will commence beginning

period will commence beginning with the day after the date the written discharge notice is received by the local Union Officer, or by a member of the local Union Committee. The time limit for this meeting may be extended at the mutual agreement of the parties, but not for more than an additional two (2) days (Monday through Friday). If such a meeting is requested, the discharged Employee shall be present and shall be represented by a Union official or local Union Committeeperson.

3). At the conclusion of the discharge meeting, management will inform the Employee of its final disciplinary determination.

4). If the matter is not resolved at the conclusion of the meeting referred to in paragraph 3, the Union may elect to file a written grievance and proceed, to expedited arbitration. The matter will then be referred to arbitration within seven (7) calendar days of the discharge meeting. The referral to expedited arbitration will be so stated on the grievance form and signed by a representative of the Company and a representative of the Union. After referral to expedited arbitration, the appropriate Company and Union Official shall select an arbitrator. This selection must be completed within twenty-one (21) calendar days of the written referral to expedited arbitration as stated on the grievance form referenced above. The appointed arbitrator shall hear the case at the earliest practicable time.

5). In the event no meeting is requested under paragraph (2) above, any grievance protesting a discharge must be filed within seven (7) calendar days of the date the local Union received the written discharge notice.

In the event the parties are unable to mutually select an arbitrator within the twenty-one (21) calendar days, then an arbitrator shall be selected in accordance with Article X, Section 2.

The time limits established in this discharge and expedited arbitration procedure must be strictly adhered to unless mutually waived in writing by the Company and the Union.

Pursuant to this discharge procedure, the parties may mutually agree to a panel of arbitrators to serve for a period of time as determined by the Company and the Union.

The above discharge procedure will not apply to terminations under Article VIII, Section 6, Items A, D, E, and G. Contested terminations under this Article and Section (VIII, 6) will be processed through the regular grievance procedure under Article X.

Article XII
STRIKES AND LOCKOUTS

During the terms of this Agreement, the Union will not cause nor permit its members to cause, nor will any member of the bargaining unit take part in any strike, walkout, stoppage, slowdown, curtailment of work, or other restriction of work or production of any kind or nature during the term of this Agreement. In the event of any strike, walkout, stoppage, slowdown, work curtailment or other restriction of work or production during the term of the Agreement, the Union will immediately order the strikers to return to work. In such cases, the Company may impose disciplinary measures upon or discharge the Employees who instigate or participate in activity which is in violation of this Article, The Company will not lockout Employees during the term of this Agreement.

Article XIII
WORKING CONDITIONS

Section 1: The Company agrees to allow the Union to post the following legitimate business items of interest to the Employees as follows:

- a. Notice of meeting;
- b. Notice of official Union elections and results;
- c. List of all Union Representatives including name, address and phone number;
- d. The Employer agrees to provide a bulletin board for Union's use as stated under a, b, and c of this section of Article XIII.

Section 2: The Company may require Employees who are absent because of illness or injury to secure the opinion of a physician designated by the Company or a physician of the Employee's choice, if approved by the Company, before being permitted to return to work.

Section 3: The Company may require a physical examination of an Employee by a physician designated by the Company at any reasonable time for the purpose of advising the Company on the physical condition of an Employee specifically including testing for the presence in the Employee's blood or urine of alcohol or drugs.

Section 4: Any member of supervision shall have the right to discipline for just cause and instruct an Employee.

Section 5: The Company will not transfer Union representatives from one shift to another for the sole purpose of interfering with their ability to exercise their duties as Union representatives.

Section 6: Tool Allowance - Employees classified in and actively working in an underground maintenance classification/function (Repairman, Belt Mechanic, Greaser, or in a surface maintenance classification/function (Electrician, Plant Mechanic, Preparation Plant Operator) shall be paid to a two-hundred dollar (\$200) tool allowance for each full quarter working in the classification/function.

Article XIV JOB RULES

Section 1: Job Rules

1. In case of absenteeism or tardiness, the Employee should contact the Company one (1) hour in advance.

2. The work day and pay shall start when the Employee reports to the assigned work site. For pay purposes, the work day shall start and end as determined by applicable law and regulation.

3. Use of intoxicants or illegal drugs shall not be permitted.

4. Employees shall wear such safety clothing and equipment as required.

5. Employees and the Employer shall observe all safety rules.

6. Employees shall not abuse company tools or property.

7. Employees shall be expected to produce a normal day's work.

8. Employees shall not willfully disrupt the harmony and morale of the job.

9. Employees shall conduct themselves in such a manner as to reflect credit upon themselves, the Company and the Union.

10. An Employee observed in the act of stealing or willfully damaging the property of any contractor shall be discharged.

A VIOLATION OF THESE RULES SHALL BE CONSIDERED GROUNDS FOR TERMINATION

Section 2. Mine Rules and Regulations: For violation of any of the following rules, an Employee is subject to discipline up to discharge on the first offense. The Company may adopt and enforce reasonable rules of conduct from time to time according to the rights of management. Copies of written notices of disciplinary action (up to and including discharge) issued to an Employee will be provided to the local Union officials.

1. Carrying concealed weapons.
2. Walking off the job without permission during regular working hours.
3. Stealing.
4. Being in possession of or drinking alcoholic beverages while on Company property or reporting for work under the influence of alcoholic beverages.
5. a.) If the Employee is absent from work without properly notifying the Company and giving a reasonable excuse for his absence. Three (3) unexcused absences within any three-year period shall be grounds for discharge during the term of employment.
b.) The Company may impose up to a five (5) day suspension or immediate discharge in the event of two (2) unexcused absences in ninety (90) days.
6. Knowingly harboring a communicable disease which may endanger other Employees without first reporting the same, with medical documentation, signed by the treating physician, to the Human Resources representative.
7. The use or possession or being under the influence of drugs or other controlled substances not prescribed by a licensed physician, on Company property at any time, is prohibited. Employees who are taking any prescribed medication will notify the Company immediately upon reporting for work and furnish a copy of a physician's statement releasing the Employee to work while taking the prescribed medication.

8. Insubordination. Includes refusal to perform work assigned.

9. Falsifying personnel records or giving false information on written application for employment.

10. Causing damage to materials, equipment or other Employees or attempting to incite others to cause like acts.

11. Intentionally falsifying any Company report, records or time cards.

12. Fighting or attempting bodily injury to another Employee while on Company property.

13. Sleeping on the job.

14. Taking Company property from grounds without written permission of the Vice-President of the Employer.

Article XV SAFETY

Section 1. The Company agrees to establish and maintain conditions of health and sanitation in conformity with all State and Federal laws applicable to the Company. The Union agrees to cooperate in using personal safety devices furnished by the Company and to comply with the Company's safety and fire regulations. The Company will provide advance notice to local Union officers prior to implementation of new (additional) personal safety devices.

Section 2. Mine Safety and Health Team: The purpose of The Mine Safety and Health Team will be to review overall safety performance and practices at the operation; and, to develop and consider recommendations enabling the operation to meet its safety goals and objectives.

The Mine Safety and Health Team will:

a) Consist of a total of three (3) members of the local Union Safety Committee, selected by the local Union, and three (3) members of Management;

b) Meet at least once per month;

c) Be paid for their participation in the monthly meeting.

Section 3. Safety Rights - No Employee will be required to work under conditions he has reasonable grounds to believe are abnormally and immediately dangerous to himself beyond the normal hazards inherent in the operation, which could reasonably be

reasonably be expected to cause death or serious physical harm, before such condition or practice can be abated. When an Employee, in good faith, believes that he is being required to work under such conditions, he shall immediately notify his supervisor of such belief, and the specific physical conditions he believes exist. If there is no dispute that the conditions exist, steps shall be taken immediately to correct or prevent exposure to such condition. If there is a dispute that the condition exists, the Employee will be withdrawn from the duty on the assignment in dispute and assigned to other work not involved in the dispute. The assignment of such alternative work shall not be used to discriminate against the Employee.

If the existence of such condition is disputed, at least one member of management and one Union member (or designee of the Union) of the Mine Safety and Health Team shall review such condition within four (4) hours, to determine whether it exists. If there is agreement between the members (or designees) of the Mine Safety and Health Team, that the condition does not exist, the Employee shall return to his regular job immediately. If there is disagreement between investigating members of the Mine Safety and Health Team following their investigation, and the issue concerns compliance with Federal or State mining laws, the appropriate Federal or State inspection Agency shall be called in immediately to investigate and assist in resolving the dispute.

Section 4. Up to five (5) Employees of the Union Safety Committee, selected by the Local Union, may inspect the mine quarterly, and make recommendations regarding their findings to management and;

a). For performance of duties under this section, there will be an allowance of eight hours straight-time pay for each committee member.

b). Shall be furnished transportation at the mine.

c). Shall give sufficient notice of an intended inspection and allow a representative of the Company to accompany the committee.

In addition to the above, the Union Safety Committee shall be provided a list of all accidents reported to MSHA. Such report shall show the nature of the injury and the location of the accident.

Section 5. Safety Allowances: Beginning on July 1, 2007, and each July 1 thereafter for the term of this Agreement, Employees who have completed one year of service as of July 1, will be paid a safety boot allowance of \$175.00. The Company will continue its prescription safety glass program as is currently administered.

Section 6. Emergency Medical Technician (EMT) Allowance: An EMT allowance of \$500 will be paid to all Employees, up to the number approved by Management, who have an Illinois certification as an EMT. This payment will be paid in December of each year covered by the Agreement. Employees receiving this allowance agree to provide EMT services for the mine.

Section 7. Bonus/Safety Days: Employees, hired prior to the date of execution of this Agreement, and who have maintained regular attendance and who have worked safely throughout the year, will be eligible for one additional paid day off each calendar year, up to a maximum of ten (10) such days. Employees who have accumulated ten (10) bonus/safety days or more as of the date of execution of this Agreement shall be red-circled at the number of bonus/safety days accumulated as of the date of this Agreement, but shall not accumulate any additional bonus/safety days.

New Employees hired on or after the date of execution of this Agreement and who have maintained regular attendance and who have worked safely throughout the year, will be eligible for one paid day off each calendar year, up to a maximum of five (5) such days.

Bonus/Safety days are earned as follows:

a) **Qualifying period** - The qualifying period to earn bonus/safety days shall be October 1 through September 30.

b) **Eligibility** - To be eligible for a bonus/safety day, an Employee must:

1) Have completed one year of employment as of the end of the qualifying period.

2) Have not sustained an MSHA reportable injury during the qualifying period.

3) Have not had an unexcused absence during the qualifying period.

4) Have not been absent from work more than ninety days during the qualifying period.

5) Have not voluntarily terminated employment during the qualifying period (a rehired Employee who had voluntarily terminated during the qualifying period will be re-employed with no bonus/safety days.)

6) Has not been laid off in excess of one year (a rehired Employee who had been laid off in excess of one year will be re-employed with no bonus/safety days).

c) Use of Bonus/Safety Days - Any additionally earned bonus safety days (as well as previously earned days carried forward) must be taken in the calendar year following the qualifying period in which they are earned. These days may be taken at such times as are mutually agreeable between the Employee and mine management, and provided at least 48 hours advance notice is given.

d) Pay-in-Lieu - Earned Bonus/Safety days must be taken in the calendar year and may not be carried over from one year to the next. An Employee who has unused bonus/safety days at the end of the calendar year will be paid in lieu of taking such days off. In addition, an Employee may, with management approval, elect to receive pay in lieu of taking such days off, at any time during the calendar year.

Section 7. Drug and Alcohol Abuse Prevention and Detection

We are firmly committed to the safe and efficient construction and operation of all projects. The safety and health of Employees are a paramount concern. The use, possession or distribution of drugs and/or alcohol in the workplace is inconsistent with the achievement of these objectives. Accordingly, the parties agree that in order to enhance the safety of the workplace and to maintain a drug and alcohol free work environment, the Company may require individual Employees to undergo drug and/or alcohol screening by using the following procedures. This policy and following procedures are binding and are mutually agreed to by the parties to this Agreement.

1. It is understood that the use, possession, transfer or sale of illegal drugs, narcotics or other unlawful substances is absolutely prohibited while Employees are on the Company's job premises or while working on any site in connection with work performed under the applicable agreement.

2. The Company's operation is declared a drug testing work site. All Employees may be tested at the time of hire. Any Employee

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
BENTON DIVISION**

Big Ridge, Inc.)	
)	
Plaintiff,)	
v.)	Cause No. 3:06-cv-00663-JPG-CJR
)	
Int.'l Brotherhood of Boiler-)	
makers, Local Lodge S-8)	
)	
Defendant.)	

STIPULATION OF DISMISSAL

Come now the parties, both by counsel, and inform the Court that this matter has been fully compromised and settled under the terms and conditions set forth in the Memorandum of Understanding attached hereto. The parties now accordingly stipulate to the dismissal with prejudice of the above cause, including the counter-claim, with each party to bear its own costs and attorneys' fees.

Respectfully submitted,

BOWERS HARRISON, LLP

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