



ANNUAL DISCLOSURE OF ECONOMIC INCENTIVE GRANTS

Subject to TVA regulatory oversight, BVU Authority budgets \$500,000 annually from its electric division to support qualified economic incentive grants. Qualifying projects must be located inside the city limits of Bristol, Virginia. Also, the project expenditures must provide a “commensurate benefit” to BVU’s electric system.

For more details, please review the individual grant documents or the BVU Audit for that fiscal year.

Please contact BVU for additional information on any specific grant.

STUDIO BREW +

Grant date 06.27.2014
Total Award \$37,212
FY16 Expenditures \$30,054

ALPHA N. R. +

Grant date 04.08.2010
Total Award \$1,833,556
FY16 Expenditures \$0

THE FALLS +

Grant date N/A
Total Award N/A
FY16 Expenditures \$84,929.88

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

AGREEMENT

THIS AGREEMENT ("Agreement"), entered into this 8th day of April, 2010, by and between THE CITY OF BRISTOL VIRGINIA, a Virginia municipal corporation (the "City"); Bristol Virginia Utilities, a separate division of the City of Bristol Virginia (hereinafter "BVU;") ALPHA NATURAL RESOURCES, INC., a corporation organized under the laws of the State of Delaware (the "Company"); and the INDUSTRIAL DEVELOPMENT AUTHORITY FOR THE CITY OF BRISTOL VIRGINIA (the "IDA"), organized under the laws of the Commonwealth of Virginia for the purposes and considerations stated below.

RECITALS

WHEREAS, the Company has agreed to locate its corporate headquarters in the City of Bristol, Virginia in the Sugar Hollow Business Complex; and

WHEREAS, the City has agreed to transfer to the IDA approximately 79.2 acres located on said site which has been subdivided into two parcels, which are shown on Schedules A and B to this Agreement; and

WHEREAS, the Company desires to construct an approximately 100,000 square foot building on the parcel shown on Schedule A (the "Building Parcel"), locating its corporate headquarters thereon and moving its headquarters employees and corporate operations to the site;

WHEREAS, the IDA has agreed to convey the entire property, including both parcels, to the Company or one of its subsidiaries, which shall then (i) transfer the Building Parcel to Johnson Sugar Hollow, L.L.C., a limited liability company organized under the laws of the Commonwealth of Virginia, or such other developer as may be selected and utilized by the Company in its discretion (the "Landlord"), who shall then lease said parcel to the Company, and (ii) retain the parcel shown on Schedule B (the "Expansion Parcel"), on which the Company currently intends to locate any future expansion of its headquarters facilities on said site; and

Prepared by
CURCIO & STOUT
Bristol, Virginia 24203

WHEREAS, the Company has agreed to employ a workforce of approximately 200 individuals located at the corporate headquarters in Bristol, Virginia, which includes the creation of sixty-nine (69) new jobs; and

WHEREAS, the Company agrees to make an investment of at least TWENTY-ONE MILLION DOLLARS (\$21,000,000.00), consisting of at least SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$17,500,000.00) in an indirect investment in real estate through a Ground Lease Agreement with the Landlord, and a direct investment of at least THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000.00) in the purchase of furniture, fixtures and equipment for the new building, all of which will positively affect the tax revenues of the City, and

WHEREAS, conditioned upon the Company's performance, BVU has agreed to pay to the Company from its Economic Development Funds, as a Jobs Creation and Capital Investment Grant for the promotion of economic development within the City, annual payments over 11 years from 2011 through 2021, according to the following schedule: a first payment of EIGHTY-THREE THOUSAND THREE HUNDRED FIFTY-FIVE AND 60/100 DOLLARS (\$83,355.60) on January 1, 2011, a payment of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) on January 1, 2012, payments of TWO HUNDRED EIGHTY THREE THOUSAND THREE HUNDRED FIFTY FIVE and 60/100 DOLLARS (\$283,355.60) on January 1st of each year from 2013 through 2016, and payments of EIGHTY-THREE THOUSAND THREE HUNDRED FIFTY-FIVE AND 60/100 DOLLARS (\$83,355.60) on January 1st of each year from 2017 through 2021. All payments prior to the Initial Performance Date set forth herein are conditioned on the Company's performance of the terms and conditions of Articles 2.1 through 2.3 below, and all payments after such date are expressly subject to the Company continuing to maintain a substantial work force at the Sugar Hollow Business Complex in Bristol through the end of the payment period; and

WHEREAS, the City will provide to the Company through the IDA an additional jobs and investment grant of ONE HUNDRED SIXTEEN THOUSAND SIX HUNDRED FORTY-FOUR AND 40/100 DOLLARS (\$116,644.40) per year, commencing on

December 15, 2012 and continuing on the 15th day of December thereafter for a total of ten (10) payments; and

WHEREAS, the City and BVU expressly find that the provisions of this Agreement and the commitments of the City herein will promote the expansion of business in the City of Bristol by producing a significant number of jobs and economic stimulus, thereby promoting the health, welfare, convenience and prosperity of the citizens of the City of Bristol.

NOW THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

ARTICLE I.

TRANSFER AND ACQUISITION OF REAL PROPERTY; ASSIGNMENT

1.1. Real Property. In furtherance of its governmental duties and responsibilities to aid and assist the economic development of the City, the City agrees to transfer and convey all of its right, title and interest in and to the Building Parcel and the Expansion Parcel (collectively, the "Real Estate"), by General Warranty Deed to the IDA, subject to the terms and conditions set forth hereinafter. The IDA agrees to accept the transfer of said Real Estate, subject to the same terms and conditions, and to convey the Real Estate by General Warranty Deed to the Company or one of its subsidiaries designated by the Company (the "Company Owner"). The Company Owner will thereafter transfer the Building Parcel to the Landlord subject to the same terms and conditions pursuant to which the Real Estate was initially transferred to the Company Owner. The Company hereby affirms its current intention to use the Expansion Parcel for any future expansion of its headquarters facilities on the Real Estate.

1.2. Assignment by IDA. Immediately after the transfer of the property to the Company Owner, the IDA will assign all of its right, title and interest in this agreement

and all related documents, including the Deed of Trust, to the City. The parties agree that on such assignment, the City will be vested with all rights, powers and authority under this Agreement and that the IDA will be released and discharged from any liability, obligations and duties hereunder, all without need for any further action or instrument.

1.3. Utilities. The City, through the Bristol Virginia Utilities Board/Authority ("BVU") will install underground electric, water, wastewater and fiber-optic lines to the cul-de-sac nearest the point that the new building will be constructed on the property. BVU will incur the cost for said installations and the Company agrees that BVU will be the sole provider of (i) its electric, water and wastewater on the property through December 31, 2021, and BVU will provide such services at rates that are competitive with rates provided to other, similarly-situated utility customers in BVU's service area, and (ii) its local telecommunications, cable television and internet services on the property through December 31, 2021, as long as BVU provides such services at competitive rates. For the avoidance of doubt, nothing herein shall be construed as a waiver by BVU of its rights pursuant to Virginia Code Section 56-580(F). The City agrees to cooperate with the Company and Landlord to facilitate the provision of natural gas to the headquarters building.

1.4. Deed of Trust. Upon conveyance of the Real Estate to the Company Owner, the Company Owner shall convey the Expansion Parcel by Deed of Trust to secure to the City, BVU and the IDA the Company's faithful performance of all the terms and conditions contained herein. The City, BVU and the IDA acknowledge that the Building Parcel shall not be subject to such Deed of Trust. The City shall remain in first lien position on the Expansion Parcel to secure the Company's substantial performance of its obligations under Article II hereof until the first date specified for release thereof in Section 4.1 below, at which time the City shall release its lien as to the Expansion Parcel in full.

1.5. Buffer Zone. The Company agrees to maintain a one hundred (100) foot buffer zone of undisturbed or landscaped forest and vegetation on the property described on Schedule C attached hereto. The Company covenants to refrain from

building any improvements within said buffer zone; provided, that the Company may install recreational facilities such as picnic tables and shelters and hiking/jogging trails and related signage in the buffer zone.

ARTICLE II.

COMPANY'S COMMITMENTS AND OBLIGATIONS

2.1. Corporate Headquarters and Development of Property. Promptly after the execution of this Agreement, the Company shall actively commence and diligently pursue the development of the property. Specifically, the Company agrees to have constructed for the exclusive use and benefit of Company and its subsidiaries on the Building Parcel a building to be used as the Company's corporate headquarters, consisting of approximately 100,000 square feet. Development of the project shall begin within six (6) months of execution of this Agreement, and the Company currently intends to move into its new headquarters by no later than July 31, 2012.

2.2. Capital Investment. The Company shall make an indirect investment of SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$17,500,000.00) in the development of the real property to be used for the new corporate headquarters for the Company, which amount will be measured by expenditures by the Company and its subsidiaries and the Landlord in developing the new headquarters. Additionally, the Company shall make a THREE MILLION FIVE HUNDRED THOUSAND DOLLAR (\$3,500,000.00) direct investment in the purchase of furniture, fixtures and equipment to be located upon the premises, measured by expenditures by the Company and its subsidiaries for the purchase of said furniture, fixtures and equipment. Upon completion of the new building, the Company anticipates that the property will have a minimum fair market value of TWENTY-ONE MILLION DOLLARS (\$21,000,000.00), inclusive of all real property, improvements and fixtures located within Sugar Hollow Business Complex.

2.3 Initial Job Requirements. Upon completion of the construction of the new building on the subject property, the Company shall relocate its corporate

headquarters to said site (it being understood that the Company shall be permitted to maintain other corporate offices, which shall not constitute the Company's headquarters offices, in other locations). The Company further agrees that on the "Job Measurement Date" (as defined below), it shall house TWO HUNDRED (200) full-time employees at its corporate headquarters in the City of Bristol, of which a minimum of sixty-nine (69) of said employees will consist of new jobs added since July 31, 2009. The "Job Measurement Date" will be the earlier to occur of: (i) the first date on which the Company houses at least TWO HUNDRED (200) full-time employees at its corporate headquarters in the City of Bristol, of which a minimum of sixty-nine (69) of said employees will consist of new jobs added since July 31, 2009; and (ii) the third anniversary of this Agreement.

2.4. Jobs Report and Audit Requirements. The Company shall provide at the Company's expense detailed verification reasonably satisfactory to the City of the Company's progress on capital investment and employment obligations contemplated herein. Such reports shall be provided at the time of initial occupancy of the new building and shall thereafter be made annually on the anniversary date of the initial occupancy until the City has made all payments required under Sections 3.1 and 3.2 hereunder. The Company further agrees to cooperate with any other reasonable audit requirements as may from time to time be requested by the City during such period.

ARTICLE III.

GRANTS

3.1. Economic Development Funds Grant. BVU agrees to pay to the Company from its Economic Development Funds, as a Jobs Creation and Capital Investment Grant for the promotion of economic development within the City, annual payments over 11 years from 2011 through 2021, according to the following schedule: a first payment of EIGHTY-THREE THOUSAND THREE HUNDRED FIFTY-FIVE AND 60/100 DOLLARS (\$83,355.60) on January 1, 2011, a payment of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) on January 1, 2012, payments of TWO

HUNDRED EIGHTY THREE THOUSAND THREE HUNDRED FIFTY FIVE and 60/100 DOLLARS (\$283,355.60) on January 1st of each year from 2013 through 2016, and payments of EIGHTY-THREE THOUSAND THREE HUNDRED FIFTY-FIVE AND 60/100 DOLLARS (\$83,355.60) on January 1st of each year from 2017 through 2021. All payments prior to the Initial Performance Date under this Section 3.1 are conditioned upon the Company's substantial performance of the terms and conditions of Articles 2.1, 2.2 and 2.3 hereinabove (as defined in Article 5 herein). All payments after the Initial Performance Date under this Section 3.1 are expressly subject to the Company continuing to maintain a substantial work force of no less than ONE HUNDRED FIFTY (150) full-time employees at the Sugar Hollow Business Complex in Bristol until the completion of the payment period.

3.2. Additional Grant. The City further agrees to provide to the Company through the IDA a Job and Investment Grant in the sum of ONE HUNDRED SIXTEEN THOUSAND SIX HUNDRED FORTY-FOUR AND 40/100 DOLLARS (\$116,644.40) per year, commencing on December 15, 2012, and continuing on the 15th day of December thereafter through December 15, 2021, for a total of ten (10) payments. All payments prior to the Initial Performance Date under this Section 3.2 are conditioned upon the Company's substantial performance of the terms and conditions of Articles 2.1, 2.2 and 2.3 hereinabove (as defined in Article 5 herein). All payments under this Section 3.2 after the Initial Performance Date are expressly subject to the Company continuing to maintain a substantial work force of no less than ONE HUNDRED FIFTY (150) full-time employees at the Sugar Hollow Business Complex in Bristol until the completion of the payment period.

ARTICLE IV.

INITIAL PERFORMANCE AND CONTINUED OPERATION

4.1. Initial Performance. Upon the Company's substantial performance of Articles 2.1 through 2.3 hereinabove (as defined in Article 5) (the "Initial Performance Date"), the Company shall have met all of the obligations required to qualify for the

Economic Development Funds Grant under Article 3.1 and the "Additional Grant" under Article 3.2 herein. Accordingly, the Company shall not be subject to the reimbursement provisions of Article V of any grant monies once the initial eligibility requirements have been met. The City shall release its lien as to the Expansion Property from the Deed of Trust promptly following the earlier to occur of (i) the Initial Performance Date and (ii) the date the Company delivers notice to the City of its current intention and undertaking to develop a substantial addition to its headquarters facility on the Expansion Property.

4.2. Continued Operation. In the event the Company shall cease to maintain a substantial work force of no less than ONE HUNDRED FIFTY (150) full-time employees at the Sugar Hollow Business Complex after meeting its initial performance requirements, the City and BVU shall be relieved of making any further grant payments to the Company that have not been made by the time such condition ceases to be maintained.

ARTICLE V.

DEFAULT

5.1. Specific Default. The occurrence of any of the following shall constitute a default by the Company under this Agreement:

a. The failure by the Company Owner to execute a Deed of Trust relating to the Expansion Parcel securing the Company's faithful performance of all terms and conditions contained in this Agreement.

b. The Company's failure to commence construction on or before January 1, 2011.

c. The Company's failure to obtain the certificate of occupancy for its corporate headquarters consisting of an approximate 100,000 square foot building in the Sugar Hollow Business Complex by July 31, 2012.

d. The Company's failure to substantially meet its Capital Investment Requirements under Article 2.2 of this Agreement as hereinabove set forth. For

purposes of this provision, substantial performance shall be defined as meeting at least 90% of the capital investment obligations set forth in Article 2.2 by July 31, 2012.

e. The Company's failure to substantially meet its Job Creation requirements under Article 2.3 of this Agreement as hereinabove set forth. For purposes of this provision, substantial performance shall be defined as meeting at least 90% of the jobs obligations by the Job Measurement Date as set forth in Article 2.3.

f. The failure by the Company and/or Company Owner to promptly pay to the City all real, personal and machinery taxes as they come due annually.

g. The Company's failure to acquire all of its electric, water, wastewater, local telecommunications, cable television and internet on the property from Bristol Virginia Utilities Board/Authority as required under Article 1.3.

5.2. Written Notice. Before exercising any remedies with respect to a default listed above, the City must give the Company sixty (60) days written notice thereof. In the event that the Company satisfies the requirement not theretofore met prior to the expiration of the notice period, such default shall be deemed cured.

5.3. Remedies to the City. In the event that the Company fails to cure any default after giving the Company sixty (60) days written notice thereof, the City at its sole option may initiate any single remedy or a combination of remedies hereinbelow set forth:

a. The City shall be relieved of making any further grant payments to the Company as set forth under Article III herein.

b. **Total Breach.** If the Company fails to invest at least \$14,000,000.00 by July 31, 2012, creates fewer than 45 new jobs on the Job Measurement Date, or locates less than 140 employees at the Sugar Hollow Business Complex on the Job Measurement Date, it shall be deemed a total breach of this Agreement. In the event the Company fails to meet such minimum thresholds, it shall repay to the City and BVU all monies paid under both grants.

c. **Partial Breach.** If the Company has not met at least 90% of its Capital Investment and Job commitments set forth in Article II herein by the times set forth in section b., but has exceeded the thresholds set forth in section b., the Company

shall repay to the City and BVU that part of the grants that are proportional to the respective shortfall, subject to the following tables:

For total job creation, the following table shall establish the percentage of reimbursement:

Total Employees on Job Measurement Date	Percentage of Reimbursement
180-200	0%
170-179	20%
160-169	40%
150-159	60%
140-149	80%
Below 140	100%

For purposes of new job creation, the following reimbursement table will apply:

New Jobs Created on Job Measurement Date	Percentage of Reimbursement
62 or greater	0%
59-61	20%
54-58	40%
49-53	60%
45-48	80%
Below 45	100%

For purposes of capital investment, the following reimbursement table will apply:

Capital Investment through July 31, 2012	Percentage of Reimbursement
Greater than \$18,900,000	0%
\$17,675,000-\$18,899,999	20%
\$16,450,000-\$17,674,999	40%
\$15,225,000-\$16,449,999	60%

\$14,000,000-\$15,224,999	80%
Below \$14,000,000	100%

In the event of any reimbursement as provided for here, the City and BVU shall share said reimbursement prorated between them in the percentages of actual monetary payments of grants made by each to the Company at the time reimbursement is made. For purposes of clarity the term "City" shall include both the City of Bristol Virginia generally and BVU, except where the context clearly means otherwise.

d. **Foreclosure.** In the event of a total breach under section b. only, the City may initiate and consummate foreclosure proceedings with respect to the Expansion Property.

5.4. Additional Remedies. Notwithstanding any other provisions contained herein, in the event of a substantial breach of the terms of this Agreement by either party, the other party shall have all remedies available to it at law or in equity.

**ARTICLE VI.
MISCELLANEOUS**

6.1. Notices. Any notice permitted or provided for under this Agreement shall be in writing, shall be given by mail, and shall be deemed sufficiently given if and when received by the Party to be notified at its address set forth below, or if and when mailed by registered or certified mail, postage prepaid, addressed to such Party at such address. Any Party designated below may, by notice to the others, change its address for receiving such notices.

Address for Notices to Alpha Natural Resources:
 Alpha Natural Resources, Inc.
 One Alpha Place
 P O Box 2345
 Abingdon, VA 24212
 ATTN: Kevin Crutchfield, Chief Executive Officer

With copy to:

Vaughn R. Groves, Executive Vice President, General Counsel and Secretary

Addresses for Notices to IDA:

Executive Director
Industrial Development Authority of the City of Bristol Virginia
City Hall
300 Lee Street
Bristol, VA 24201
ATTN: Dewey P. Cashwell

With copy to:

IDA Attorney
600 Cumberland Street
P O Box 1478
Bristol, VA 24203-1478
ATTN: Peter Curcio

Addresses for Notices to the City:

City Manager for the City of Bristol Virginia
City Hall
300 Lee Street
Bristol, VA 24201
ATTN: Dewey P. Cashwell

With copy to:

City Attorney
600 Cumberland Street
P O Box 1478
Bristol, VA 24203-1478
ATTN: Peter Curcio

Address for Notices to BVU:

Wes Rosenbalm, President
PO Box 8100
Bristol, VA 24203

With copy to:

G. Walter Bressler
General Counsel
P O Box 8100
Bristol, VA 24203

6.2. Survival. This Agreement, its Schedules and the respective covenants and undertakings of the parties shall survive the closing of the transactions contemplated by this Agreement.

6.3. Governing Law. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia.

6.4. Entire Agreement. This Agreement, Schedules hereto (which are incorporated herein by reference in this Agreement) and all documents delivered at closing constitute the entire agreement among the parties pertaining to its subject matter and supersede all prior and contemporaneous agreements, understandings and representations of the parties in connection with it. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party thereafter to enforce any other provision or to exercise any right or remedy in the event of any other default, whether or not similar.

6.5. Successors or Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. The Company may assign all or a part of its rights and obligations hereunder only upon prior written approval of the City, which approval shall not be unreasonably withheld or delayed.

6.6. No Third Party Beneficiaries. Nothing in this Agreement shall entitle any person or entity other than the parties and their respective, successors and assigns permitted hereby to any claim, cause of action, remedy or right of any kind.

6.7. Time is of the Essence. Time is of the essence in the performance of this Agreement.

6.8. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement, which shall be enforced to the fullest extent allowed by law.

6.9. Execution. This Agreement is signed in triplicate, each of which shall constitute an original.

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IN WITNESS WHEREOF, this Agreement has been executed as of the date first set forth above by the duly authorized representatives of the parties.

CITY OF BRISTOL, VIRGINIA

By James F. Rector
James F. Rector, Mayor

Attest: Sue Allen
Clerk

STATE OF VIRGINIA
CITY OF BRISTOL

The foregoing instrument was acknowledged before me this 8th day of April, 2010 by James F. Rector, Mayor of the City of Bristol, Virginia, a Virginia municipal corporation, on behalf of the City.

186900
Notary Registration Number

Kathryn E. Humphrey
Notary Public

My commission expires: 6/30/2013



THE CITY OF BRISTOL, VIRGINIA
D/B/A BRISTOL VIRGINIA UTILITIES

By: Paul W. Hurley
Paul W. Hurley

Attest: Linda Davis
Linda Davis, Secretary

STATE OF VIRGINIA
CITY OF BRISTOL

The foregoing instrument was acknowledged before me this 8th day of April, 2010 by Paul W. Hurley, Chairman of the Board of Directors of Bristol Virginia Utilities, on behalf of City of Bristol, a Virginia municipal corporation, d/b/a Bristol Virginia Utilities.

186900
Notary Registration Number

Kathryn E. Humphrey
Notary Public

My commission expires: 6/30/2013



ALPHA NATURAL RESOURCES, INC.

By

Vaughn R. Groves
Vaughn R. Groves, Executive Vice
President General Counsel and
Secretary

Attest:

Wanda K. Fields
Wanda K. Fields

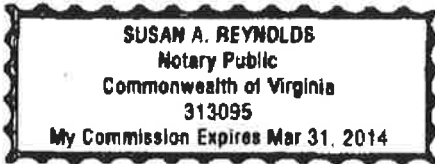
STATE OF VIRGINIA
COUNTY OF WASHINGTON

The foregoing instrument was acknowledged before me this 8th day of April, 2010, by Vaughn R. Groves, Executive Vice President, General Counsel and Secretary of Alpha Natural Resources, Inc., on behalf of the corporation.

313095
Notary Registration Number

Susan A. Reynolds
Notary Public

My commission expires: March 31, 2014



INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF BRISTOL VIRGINIA

By *Harry J. Williams*
Harry J. Williams, Chairman

Attest:

Lish Henderson
Secretary

STATE OF VIRGINIA
CITY OF BRISTOL

The foregoing instrument was acknowledged before me this 8th day of April, 2010 by Harry J. Williams, Chairman of the Board of the Industrial Development Authority of the City of Bristol, Virginia, on behalf of the Authority.

186900
Notary Registration Number

Kathleen E. Humphrey
Notary Public

My commission expires: 6/30/2013

