

**EXHIBIT A
TO
TENNESSEE VALLEY AUTHORITY
NOTICE OF PUBLIC AUCTION**

**STRAIGHT CREEK COAL RESERVES
TVA TRACT NOS. XCGCR-1, XCGCR-2, XCGCR-3, XCGCR-4, XCGCR-5,
XEKCR-44, and XEKCR-45**

TERMS OF PUBLIC AUCTION

In case of dispute, the decision of the auctioneer will govern. The Tennessee Valley Authority (sometimes hereinafter referred to as "TVA"), as legal agent of the United States of America (sometimes hereinafter collectively referred to as "Grantor"), reserves the right to terminate, cancel, and/or postpone the auction at any time and reserves the right to reject any and all bids.

In the absence of a dispute requiring the decision of the auctioneer, the sale is final, and after the auction there will be no opportunity to raise the bid as permitted in court sales.

The minimum acceptable bid is \$800,000.00.

The Property will be sold to the highest qualified bidder.

On the day of the auction, the successful bidder (sometimes hereinafter referred to as "Purchaser" and sometimes hereinafter referred to as the "Grantee") must make settlement with the clerk of the sale and sign an agreement of purchase and sale.

The Purchaser will be required to make a minimum payment of twenty percent (20%) of the purchase price on the day of the sale and pay the balance within thirty (30) days of the date of the sale. Checks or electronic wire transfer funds will be accepted.

In the event the high bidder is unable to make the payment required hereunder, the Property may be re-auctioned at TVA's sole option.

Should the Purchaser fail to pay the balance of the purchase price within the time limit established, the down payment may be retained by TVA as liquidated damages resulting from the Purchaser's default in payment.

Fraudulent bidders may be subject to prosecution under applicable statutes.

The acreage is believed to be correctly stated; however, the Property is not sold on an acreage basis and no warranty as to acreage is made.

The conveyance document will be delivered or mailed to the Purchaser at the address given to the clerk of the sale within thirty (30) days from the date the successful bidder pays the purchase price in full.

The deed will contain special warranties of title. Title to the Property was examined by TVA prior to purchase and is believed to be good, but no further warranties or insurance will be furnished by TVA. The Property is sold "AS IS, WHERE IS" with no representations or warranties of any kind.

**EXHIBIT A
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CONTINUED**

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TVA does not represent that the Property will be acceptable as security for loans of money or that it will not be rendered unacceptable as such security by reason of the deed provisions and restrictions applicable thereto. While TVA may have suggested or recommended in its advertising or otherwise what it believes to be the highest and best use of the Property, it does not represent or warrant that the same is safe or suitable in any respect for such use.

The Property was acquired by the United States of America by virtue of the instruments listed in said Exhibit B.

The Property will be conveyed subject to: 1) such rights of third parties as would be revealed by a physical inspection or survey of the Property; 2) such rights of third parties as would be revealed by an examination of the public records of Harlan County, Kentucky and Bell County, Kentucky; and 3) any known or unknown encroachments located on the Property.

Grantee, by acceptance of the Special Warranty Deed, will covenant and agree on behalf of itself and its successors and assigns that the following shall constitute real covenants which shall attach to and run with the land and shall be binding upon anyone who may hereafter come into ownership thereof, whether by purchase, devise, descent, or succession:

- (a) GRANTEE shall comply with applicable federal, state, or local laws and regulations, including applicable Clean Water Act and Surface Mining Control and Reclamation Act permitting requirements.
- (b) Any other terms, conditions, and/or requirements TVA finds necessary to protect its statutory obligations, program requirements, and other interests.