Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KNIGHT HAWK COAL, LLC 401(K) P/S PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/01/1998

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
KNIGHT HAWK COAL, LLC

500 CUTLER - TRICO RD.
PERCY, IL 62272

2b Employer Identification Number (EIN) 54-1858790

2c Sponsor's telephone number 618-426-3323

2d Business code (see instructions) 212110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/21/2011	JAMES SMITH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
KNIGHT HAWK COAL, LLC

500 CUTLER - TRICO RD.
PERCY, IL 62272

3b Administrator's EIN
54-1858790

3c Administrator's telephone number
618-426-3323

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	338
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	314
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	26
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	340
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	2
f	Total. Add lines **6d** and **6e**	**6f**	342
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	341
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	12
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[ ]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[ ]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
KNIGHT HAWK COAL, LLC 401(K) P/S PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KNIGHT HAWK COAL, LLC

D Employer Identification Number (EIN)
54-1858790

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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45-6062081

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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1401 FINANCIAL PRK
CARBONDALE, IL 62901

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ALERUS FINANCIAL, N.A.

45-6062081

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 25 64	NONE	977	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

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1401 FINANCIAL PRK
CARBONDALE, IL 62901

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
22 63	NONE	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
KNIGHT HAWK COAL, LLC 401(K) P/S PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KNIGHT HAWK COAL, LLC

D Employer Identification Number (EIN)
54-1858790

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2272163	2236379
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	375979	469487
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	22741366	31701771
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	25389508	34407637
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	982	13958
k Total liabilities (add all amounts in lines 1g through1j)	1k	982	13958
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	25388526	34393679

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4342199	
(B) Participants	2a(1)(B)	1682630	
(C) Others (including rollovers)	2a(1)(C)	131499	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6156328
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	25549	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		25549
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	914149	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		914149
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		2592258
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		9688284
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	679536	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		679536
f Corrective distributions (see instructions)	2f		2618
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	977	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		977
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		683131
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		9005153
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MUELLER PROST PC (2) EIN: 43-1594752

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
KNIGHT HAWK COAL, LLC 401(K) P/S PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KNIGHT HAWK COAL, LLC

D Employer Identification Number (EIN)
54-1858790

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 45-6062081

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

KNIGHT HAWK COAL, LLC
401(k) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2010

Mueller Prost PC
CPAs + Business Advisors

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Mueller Prost PC
CPAs + Business Advisors

PKF

To the Plan Trustees
Knight Hawk Coal, LLC 401(k)
Profit Sharing Plan & Trust
Percy, Illinois

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the statements of net assets available for Plan benefits of *Knight Hawk Coal, LLC 401(k) Profit Sharing Plan & Trust* (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for plan benefits for the year ended December 31, 2010, and the supplemental schedule as of December 31, 2010, as listed in the accompanying table of contents. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by the Alerus Financial ("Alerus"), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that Alerus held the Plan's investment assets and executed investment transactions. The Plan Administrator has obtained a certification from Alerus as of and for the years ended December 31, 2010 and 2009 that the information provided to the Plan Administrator by Alerus is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Mueller Prost PC

July 19, 2011
St. Louis, Missouri

Certified Public Accountants

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FINANCIAL STATEMENTS

KNIGHT HAWK COAL, LLC
401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
Investments, at Fair Value		
Registered investment companies	$ 31,701,771	$ 22,741,366
Receivables		
Employer contributions	2,236,379	2,272,163
Participant loans	469,487	375,979
Total Receivables	2,705,866	2,648,142
Total Assets	34,407,637	25,389,508
LIABILITIES		
Total Liabilities	13,958	982
Net Assets Available for Plan Benefits	**$ 34,393,679**	**$ 25,388,526**

The Notes to Financial Statements are an integral part of these statements.

KNIGHT HAWK COAL, LLC
401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010

Additions to Net Assets Attributed to		
Investment Income		
Net investment income from registered investment companies	$	2,592,258
Dividends and interest		914,149
Total Investment Income		3,506,407
Participant Loan Interest		25,549
Contributions		
Employer - matching contributions		2,105,820
Employer - profit sharing		2,236,379
Participant		1,682,630
Rollover		131,499
Total Contributions		6,156,328
Total Additions to Net Assets		9,688,284
Deductions from Net Assets Attributed to		
Benefits paid to participants		679,536
Corrective distributions		2,618
Administrative fees		977
Total Deductions from Net Assets		683,131
Net Increase		9,005,153
Net Assets Available for Plan Benefits - Beginning of Year		25,388,526
Net Assets Available for Plan Benefits - End of Year	$	**34,393,679**

The Notes to Financial Statements are an integral part of this financial statement.

NOTE 1 DESCRIPTION OF PLAN

The following description of Knight Hawk Coal, LLC 401(k) Profit Sharing Plan & Trust (the "Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan was adopted on August 1, 1998, by Knight Hawk Coal, LLC (the "Company") and last amended on November 24, 2009. Effective January 1, 2009, the Plan adopted an amendment to remove KHC Land, LLC and Elk Land Holdings, LLC as co-sponsors. The Plan is a defined contribution plan for the benefit of its employees who have worked at least 500 hours within six months of service and are age 21 or older. An employee will become eligible for participation after completing the Plan's eligibility requirements as stated in the Plan Agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Participants may defer salary up to an annual maximum of the lesser of 65% of eligible compensation or $16,500. The total of employee and employer contributions for a given year cannot exceed the lesser of $49,000 or 100% of the employee's annual compensation. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also rollover distributions from other qualified defined benefit or defined contribution plans.

Each year, the Company may make matching contributions to be determined annually based on a percentage of employee salary deferrals.

In addition, the Company may make a discretionary profit sharing contribution to be determined by the Company. Each eligible participant employed by the Company on the last day of the Plan year will receive a portion of the discretionary profit sharing contribution based on their eligible compensation.

Participant Accounts

Each participant account is credited with the participant's contributions, employer matching contributions and an allocation of the Company's discretionary contribution, if any, and Plan earnings. Each account is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan Agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their account balance is based on years of continuous service. A participant is 20% vested with each annual service year and is 100% vested at the end of five credited service years.

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Forfeitures

Participants who terminate their employment and are less than 100% vested in their employer's contributions forfeit their non-vested portion. Forfeitures are retained by the Plan to reduce employer contributions. At December 31, 2010 and 2009, forfeited non-vested accounts totaled $68,590 and $46,363, respectively. Forfeitures of $46,363 were used to reduce employer contributions during the year ended December 31, 2010.

Participant Hardship Withdrawals

Participants may withdraw from the Plan that portion of their account resulting from salary deferrals in the event of undue financial hardship. The maximum hardship withdrawal is the total of a participant's vested balance.

Participant Loans

Participants may borrow from the Plan, with the loan being a participant directed investment. Loans are made in any amount greater than $1,000, but less than 50% of the participant's vested account balance. In no event can the participant borrow more than $50,000. Loan transactions are treated as transfers from the investment funds to the participant loan accounts. Loan terms range from one to five years or up to twenty years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate determined by the Plan Administrator. Interest rates range from 4.25% to 9.25%, which are commensurate with local prevailing rates as determined by the Plan Administrator. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits

The Plan provides for retirement benefits to begin at the age of 65. Upon death and total or permanent disability of a participant while employed, the account balance becomes fully vested.

On termination of service, participants with vested account balances less than $5,000 will receive a lump sum amount equal to the value of their vested account balance. The distribution will be made as soon as administratively feasible. Participants may elect to receive the distribution or have the distribution paid as a direct rollover to another qualified plan.

Investment Options

Upon enrollment in the Plan, participants may direct contributions in any of the applicable investment options available to Plan participants.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Administrative Expenses

Administrative expenses of the Plan are paid both by the Company and the participants of the Plan.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimated amounts.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 FAIR VALUE MEASUREMENTS

Investment Valuation and Income Recognition

FASB Accounting Standards Codification 820, "Fair Value Measurements and Disclosures" defines fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. The standard maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect our assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. This hierarchy consists of three broad levels:

Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Level II inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level III – Unobservable inputs for the asset or liability for which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the Plan's own assumptions about what market participants would use to price the asset or liability. These inputs may include internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables summarize the valuation of the Plan's investments that are reported at fair value in the accompanying statement of net assets available for plan benefits as of December 31, 2010 and 2009:

		Fair Value Measurements Using:		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level I	Quoted Prices In Active Markets For Similar Assets (Level II)	Significant Unobservable Inputs (Level III)
December 31, 2010				
Registered investment Companies				
Growth funds	$ 7,038,246	$ 7,038,246	$ -	$ -
Value funds	8,652,498	8,652,498	-	-
Blend funds	6,583,152	6,583,152	-	-
Bond funds	8,496,935	8,496,935	-	-
Government funds	515,896	515,896	-	-
Money market funds	415,044	415,044	-	-
Total	$31,701,771	$31,701,771	$ -	$ -

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

		Fair Value Measurements Using:		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level I	Quoted Prices In Active Markets For Similar Assets (Level II)	Significant Unobservable Inputs (Level III)
December 31, 2009				
Registered investment Companies				
Growth funds	$ 3,955,980	$ 3,955,980	$ -	$ -
Value funds	7,254,600	7,254,600	-	-
Blend funds	5,144,333	5,144,333	-	-
Bond funds	5,666,125	5,666,125	-	-
Government funds	386,812	386,812	-	-
Money market funds	333,516	333,516	-	-
Total	$22,741,366	$22,741,366	$ -	$ -

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level I inputs because they generally provide the most reliable evidence of fair value. Level III inputs were only used when Level I or Level II inputs were not available.

Level I Fair Value Measurements

The registered investment company accounts are valued at quoted net asset value of the shares for identical assets held by the Plan at year-end.

NOTE 4 INVESTMENTS

The following presents participant-directed investments, at fair value, that represent 5% or more of the Plan's net assets:

	2010	2009
Investments, at Fair Value		
Delaware Pooled TR Diversified Income Fund A	$ 6,828,236	$ 4,205,802
Goldman Sachs Large Cap Value A	2,004,921	1,347,720
Goldman Sachs Balanced Strategy A	4,291,856	2,758,315
Goldman Sachs Equity Growth Strategy A	1,912,392	N/A
Wells Fargo Advantage Growth A	2,095,530	N/A
Columbia Marisco 21st A	N/A	1,327,053

NOTE 5 RELATED PARTY TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, or a person who owns 50% or more of such an employer or employee association or relatives of such persons.

The Company, which is the Plan Sponsor, provides certain administrative services at no cost to the Plan.

Certain Plan investments are shares of mutual funds managed by Alerus Financial. Therefore, these transactions qualify as party-in-interest transactions. The fees paid by the Plan for the investment management services are netted with the investment income (loss) on each investment option of the Plan for the years ended December 31, 2010 and 2009.

NOTE 6 CONCENTRATION OF CREDIT RISK

As of December 31, 2010 and 2009, the Plan had more than 10% of its net assets available for Plan benefits in the following investment vehicles: Delaware Pooled TR Diversified Income Fund A and Goldman Sachs Balanced Strategy Fund A.

NOTE 7 TAX STATUS

The Plan operates under a non-standardized adoption agreement in connection with a prototype 401(k) profit sharing plan and trust sponsored by Alerus Financial. The prototype plan agreement was filed with the appropriate agency on March 31, 2008. The Plan has not obtained or requested its own determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the tax authorities. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

NOTE 8 INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to be complete and accurate by Alerus Financial as of December 31, 2010:

Investments, at Fair Value	
Registered investment companies	$ 31,701,771
Participant loans	469,487
Net appreciation in fair value of mutual fund investments in registered investment companies	$ 2,592,258
Dividend and interest income	914,149
Participant loan interest	25,549

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 10 BENEFIT OBLIGATIONS

Included in net assets available for benefits are amounts allocated to individuals who have elected to withdraw from the Plan, but who have not been paid. Plan assets allocated to these participants were $880,849 and $394,874 at December 31, 2010 and 2009, respectively.

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 19, 2011, the date which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

KNIGHT HAWK COAL, LLC 401(k) PROFIT SHARING PLAN & TRUST

EMPLOYER ID # 54-1858790 PLAN #001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR) FOR INVESTMENT PURPOSES
DECEMBER 31, 2010

(a)	Identity of Issue Borrower, Lessor or Similar Party (b)	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)	Current Value (e)
*	Alerus Financial	415,044 units of American Funds Money Market CL, money market fund	$ 415,044
*	Alerus Financial	30,743 units of AMCAP Fund, registered investment company	576,129
*	Alerus Financial	20,643 units of American Balanced Fund, registered investment company	369,726
*	Alerus Financial	29,158 units of Capital World Growth and Income Fund, registered investment company	1,039,785
*	Alerus Financial	16,404 units of Income Fund of America Fund, registered investment company	271,156
*	Alerus Financial	13,528 units of EuroPacific Growth Fund, registered investment company	550,299
*	Alerus Financial	29,075 units of Growth Fund of America, registered investment company	877,772
*	Alerus Financial	31,653 units of Investment Company of America, registered investment company	890,083
*	Alerus Financial	42,223 units of American Funds Small Cap World Fund, registered investment company	1,630,228
*	Alerus Financial	6,428 units of New World Fund, registered investment company	349,811
*	Alerus Financial	41 units of American Funds 2010 Target Date Retirement Fund, registered investment company	375
*	Alerus Financial	909 units of American Funds 2030 Target Date Retirement Fund, registered investment company	8,522
*	Alerus Financial	3,091 units of American Funds 2040 Target Date Retirement Fund, registered investment company	29,022

KNIGHT HAWK COAL, LLC 401(k) PROFIT SHARING PLAN & TRUST

EMPLOYER ID # 54-1858790 PLAN #001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR) FOR INVESTMENT PURPOSES (CONTINUED)
DECEMBER 31, 2010

(a)	Identity of Issue Borrower, Lessor or Similar Party (b)	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)	Current Value (e)
*	Alerus Financial	741,394 units of Delaware Pooled TR Diversified Income Fund A, registered investment company	6,828,236
*	Alerus Financial	65,342 units of Wells Fargo Advantage Growth A, registered investment company	2,095,530
*	Alerus Financial	31,735 units of BlackRock US Opportunities Inv A, registered investment company	1,245,296
*	Alerus Financial	3,204 units of Oppenheimer Gold and Special Minerals A, registered investment company	159,679
*	Alerus Financial	19,069 units of Loomis Sayles Investment Grade Bond A, registered investment company	231,313
*	Alerus Financial	2,139 units of Fidelity Advisor Leveraged Company Stock A, registered investment company	73,603
*	Alerus Financial	77,718 units of Columbia Mid Cap Value A, registered investment company	1,045,311
*	Alerus Financial	4 units of Columbia Small Cap Index A, registered investment company	66
*	Alerus Financial	1,508 units of Columbia Mid Cap Index A, registered investment company	17,438
*	Alerus Financial	170,053 units of Goldman Sachs Large Cap Value A, registered investment company	2,004,921
*	Alerus Financial	419,947 units of Goldman Sachs Balanced Strategy A, registered investment company	4,291,856
*	Alerus Financial	168,790 units of Goldman Sachs Equity Growth Strategy A, registered investment company	1,912,392

KNIGHT HAWK COAL, LLC 401(k) PROFIT SHARING PLAN & TRUST

EMPLOYER ID # 54-1858790 PLAN #001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR) FOR INVESTMENT PURPOSES (CONTINUED)

DECEMBER 31, 2010

(a)	Identity of Issue Borrower, Lessor or Similar Party (b)	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)	Current Value (e)
*	Alerus Financial	50,331 units of Goldman Sachs Short Duration Government A, registered investment company	515,896
*	Alerus Financial	219,114 units of Oppenheimer International Bond A, registered investment company	1,437,386
*	Alerus Financial	47,843 units of Keeley Small Cap Value Fund A, registered investment company	1,194,639
*	Alerus Financial	36,992 units of Oppenheimer Developing Markets A, registered investment company	1,349,097
*	Alerus Financial	11,717 units of Blackrock Global Allocation A, registered investment company	227,546
*	Alerus Financial	5,210 units of JP Morgan Investor Balanced A, registered investment company	63,614
*	Plan Participants	Loans receivable and interest from 4.25% to 9.25%	469,487
		Total	$ 32,171,258

* A party-in-interest as defined by ERISA

KNIGHT HAWK COAL, LLC 401(k) PROFIT SHARING PLAN & TRUST

EMPLOYER ID # 54-1858790 PLAN #001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
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DECEMBER 31, 2010

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*	Alerus Financial	415,044 units of American Funds Money Market CL, money market fund	$ 415,044
*	Alerus Financial	30,743 units of AMCAP Fund, registered investment company	576,129
*	Alerus Financial	20,643 units of American Balanced Fund, registered investment company	369,726
*	Alerus Financial	29,158 units of Capital World Growth and Income Fund, registered investment company	1,039,785
*	Alerus Financial	16,404 units of Income Fund of America Fund, registered investment company	271,156
*	Alerus Financial	13,528 units of EuroPacific Growth Fund, registered investment company	550,299
*	Alerus Financial	29,075 units of Growth Fund of America, registered investment company	877,772
*	Alerus Financial	31,653 units of Investment Company of America, registered investment company	890,083
*	Alerus Financial	42,223 units of American Funds Small Cap World Fund, registered investment company	1,630,228
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*	Alerus Financial	47,843 units of Keeley Small Cap Value Fund A, registered investment company	1,194,639
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		Total	**$ 32,171,258**

* A party-in-interest as defined by ERISA