

Contract/Spot Order Approval Checklist

Contract Name: Fuel Purchase Order

Vendor Name: McBride Marine Transportation, LLC

Contract Number: J25014

	<u>Date Completed (Include Initials)</u>	<u>Notes</u>
<u>Award Recommendation</u>		
Legal Review (Legal)	<div>Initial JP7</div> 4/9/2025 3:09 PM EDT	
Approved per Authority Limits Matrix (Mgr. Coal Supply Services)	<div>Initial TS</div> 4/9/2025 10:04 AM EDT	
<u>Contract/Spot Order</u>		
Legal Review (Legal)	<div>Initial JP7</div> 4/9/2025 3:09 PM EDT	
Insurance Review ⁽¹⁾ (Legal)	<div>Initial JP7</div> 4/9/2025 3:09 PM EDT	
Derivatives Review (Mgr. Fuels Accounting)	<div>Initial CKL</div> 4/9/2025 12:00 PM EDT	
Consistency with Award Recommendation ⁽²⁾ (Mgr. Coal Supply Services)	<div>Initial TS</div> 4/9/2025 10:04 AM EDT	
Vendor Certification ⁽³⁾ (Purchasing/Supply Chain)	N/A	Vendor does not operate on company property
Sole Source Award Document ⁽⁴⁾ (Mgr. Coal Supply Services)	N/A	Awarded through formal solicitation
<u>Contract Only - Not Applicable to Spot Orders</u>		
Credit Worthiness Review (Credit Manager)	N/A	Current Supplier
Source (Mine Inspections) ⁽⁵⁾ (Mgr. Coal Supply Services)	<div>N/A Initial</div>	Current Supplier
VP Energy Supply and Analysis Review ⁽⁶⁾	<div>CS</div> 4/10/2025 9:49 AM EDT	

Notes:

- 1) Reviewed by John Fendig (or Jeff Jankowski) - John will seek additional review by the Insurance Department if he determines that the agreement language materially differs from our standard contract language.
- 2) Any deviations from the original Award Recommendation must be noted and explained.
- 3) Not applicable for agreements that do not require the vendor to operate on plant grounds. Contact Purchasing/Supply Chain with questions.
- 4) Not applicable to purchases made from formal solicitations; however, required for purchases made from non-formal solicitations; must include market pricing data and/or verbal quotes used to justify the sole source award.
- 5) Not applicable for mines that we currently have contracts with; only required for new mine sources.
- 6) Review conducted by Chuck Schram for all contracts resulting from an Award Recommendation he has signed.

FUEL PURCHASE ORDER: J25014

Buyer: Louisville Gas and Electric Company (“LG&E” or “Buyer”)
Kentucky Utilities Company (“KU” or “Buyer”)
2701 Eastpoint Pkwy
Louisville, Kentucky 40223

Attn: Tim Smith
Phone: (502) 627-4116
Fax: (502) 627-2194

Seller: McBride Marine Transportation, LLC
13615 Rutland Road
Goshen, KY 40026

Attn: Beth McBride, Owner
Phone: (502) 550-5728

Purchase Order Number: J25014

Date: April 8, 2025

Shipping Destinations: LG&E-KU’s Trimble County Generating Station

Commodity: Crushed, bituminous coal, that has been cleaned from barges, substantially free from any extraneous material, with no intermediate sizes to be added or removed and otherwise meeting the specifications of this Purchase Order (“Purchase Order”). For the avoidance of doubt and without limitation to the materiality of other provisions in this Purchase Order, Powder River basin coal (“PRB coal”) or other coals not set forth on Exhibit B are not acceptable and shall not be included in any Shipments, and violation in this regard is a material breach of this Purchase Order.

Original Producers/Sources: Coal removed from barges originating from various Illinois basin and Northern Appalachian mines as set forth on Exhibit B.

<u>Base Price:</u>	<u>Base Price (\$ per ton)</u>	<u>Volume</u>
	\$25.00	21,000 tons

The Base Price will also be subject to adjustment for quality variations as described in this Purchase Order J25014 under “BTU True Up,” as well as Section 5 of the Fuel Purchase Order Terms and Conditions, titled “Quality Price Adjustments.”

Quantity: The quantity of coal supplied under this Purchase Order shall be 21,000 tons (rounded to the nearest barge) to be delivered in accordance with a mutually agreed-upon schedule.

Term: The term for deliveries under this Purchase Order shall commence on April 1, 2025 and shall continue through December 31, 2025, or such later date, upon which the last barge is shipped as contemplated hereunder, subject to early termination pursuant to the terms of this Purchase Order.

Transportation/Delivery:

Shipments: Coal is to be delivered to Buyer FOB Trimble County Station by Seller (including all fleeting and switching services), at the Delivery Point. For purposes of this Purchase Order, each barge shall be considered a “Shipment.” Shipments will be jointly scheduled by Buyer and Seller. Seller shall arrange for transporting the coal by barge from Seller’s barge loading facility to Buyer’s Trimble County Generating Stations and shall pay for the cost of such barge transportation.

Delivery Point: FOB Trimble County Generating Station, M.P. 572 Ohio River

Destination Points: Trimble County Generating Station

Quality Specifications: The coal shipped hereunder shall be of uniform quality and shall conform (calculated on a monthly weighted average basis) to the specifications set forth in the table on the following page under the heading of Guaranteed Monthly Weighted Average (the “GMWA”):

BTU True Up: The Base Price for coal delivered, accepted, and unloaded hereunder in any particular calendar month is based on the assumption that the actual “as received” monthly weighted average BTU/lb. for coal delivered, accepted, and unloaded by Buyer during that particular calendar month is equal to the GMWA BTU/lb. set forth on the following page under the heading of GMWA. In the event the Actual Monthly Weighted Average (the “AMWA”) BTU/lb. varies from the GMWA BTU/lb. for any particular calendar month, then the Base Price applicable to such delivered, accepted, and unloaded coal will be adjusted for that particular calendar month to account for such variation in BTUs; such Base Price adjustment for BTUs for that particular calendar month to be determined as follows:

(i) Calculate the per ton Base Price BTU adjustment for any particular calendar month using the following formula (where Price per Ton is the applicable Base Price set forth above):

$$\frac{\text{AMWA} - \text{GMWA}}{\text{GMWA}} \times \text{Price per Ton} = \text{Per Ton Adjustment}$$

(ii) Determine the Base Price adjustment for BTUs for that month by multiplying the Per Ton Adjustment (as calculated in (i) above) by the total number of tons of coal actually delivered, accepted, and unloaded by Buyer under this Purchase Order for that particular calendar month. Depending on whether the AMWA BTU/lb. is greater or less than the GMWA BTU/lb. in any particular calendar month, the Per Ton Adjustment (and thus the Base Price adjustment for BTUs) for that particular calendar month can be positive or negative. If the Base Price adjustment for BTUs (as calculated above) for a particular calendar month is positive, then Buyer shall be obligated to pay the amount of such adjustment to Seller. If the Base Price adjustment for BTUs (as calculated above) for a particular calendar month is negative, then Seller shall be obligated to pay or credit the amount of such adjustment to Buyer. Buyer shall be responsible for making the calculations and shall send a written statement to Seller of the amount of such adjustment each month. Such payments shall be due when the next payment for coal is due hereunder.

For example, if the AMWA BTU/lb. for a particular calendar month equals 11,100 BTU/lb., the GMWA BTU/lb. equals 11,000 BTU/lb. and the Base Price Per Ton equals \$25.00/ton, then the Per Ton Adjustment would be $((11,100 - 11,000) \div 11,000) \times \$25.00 = \$0.22727$ per ton. If a total of 3,200 tons were delivered, accepted, and unloaded by Buyer during that particular calendar month, then the Base Price adjustment for BTUs would equal $3,200 \text{ tons} \times \$0.22727 \text{ per ton} = \727.27 . Since it is positive, this amount would be due and owing to Seller by Buyer with respect to coal delivered, accepted, and unloaded for that particular calendar month.

Monthly/Shipment Quality Price Adjustments:

As Received / Guaranteed Monthly Weighted Average ("GMWA")	Individual Shipment Rejection Limits	Monthly Discount Points	Monthly Discount Values \$/mmBtu
Moisture 12.00 lbs./mmBtu / 13.20%	> 14.00 lbs./mmBtu / 15.40%	> 13.00 lbs./mmBtu	0.0016
Ash 15.00 lbs./mmBtu / 16.50%	> 17.00 lbs./mmBtu / 18.70%	> 16.00 lbs./mmBtu	0.0083
BTU/lb. 11,000 Min.	< 10,800	< 10,900	0.2604
Sulfur – Max 3.00 lbs./mmBtu / 3.30%	> 3.25 lbs./mmBtu / 3.58 %	> 3.12 lbs./mmBtu	0.1232
SO ₂ /MMBtu – 6.00 lbs.	> 6.5 lbs./mmBtu	N/A	N/A
Chlorine – 1,200 ppm	N/A	N/A	N/A
Arsenic – 12 ppm	N/A	N/A	N/A
Sizing (in.) 2.5 × 0	> 3	N/A	N/A
Fines (Passing 1/4") 45%	> 50%	N/A	N/A
Volatile 32% Min. (dry basis)	< 30%	N/A	N/A
Ash Fusion (H=W Reducing) 2,100° Min.	< 2,000°	N/A	N/A
Grindability (HGI) 55 Min.	< 50	N/A	N/A

Preship Quality:

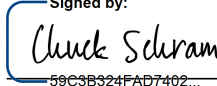
Seller has sole responsibility for quality control of the coal and shall forward as-loaded quality to Buyer as soon as possible. Each Shipment hereunder shall also be of uniform quality. All Shipments shall be sampled and analyzed by Seller prior to shipment to determine loading quality. Seller shall provide the results of such sampling and analysis to the recipients designated by Buyer and in the format specified by Buyer, with the Short Proximate Analysis (moisture, ash, BTU, and sulfur) within 24 hours after Shipment is loaded. Shipments not conforming (i.e. exceeding any maximum or falling below any minimum) with one or more Rejection Limits set forth above (the "Rejection Limits") may result in suspension or rejection as provided herein.

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In the event of a conflict between the terms and conditions contained in this Purchase Order J25014 and those contained in the exhibits or attachments attached hereto, including the Louisville Gas and Electric Company/Kentucky Utilities Company Fuel Purchase Order Terms and Conditions attached hereto, the terms and conditions contained in this Purchase Order J25014 shall govern.

BUYER

LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

Signed by:

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Chuck Schram
VP – Energy Supply and Analysis

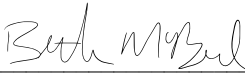
Date: 4/10/2025 | 9:49 AM EDT

Initial


Initial


SELLER

MCBRIDE MARINE
TRANSPORTATION, LLC



Beth McBride
Owner

Date: 4/8/2025

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY
FUEL PURCHASE ORDER TERMS AND CONDITIONS**

MCBRIDE MARINE TRANSPORTATION, LLC

P.O. #J25014

1. SCHEDULING & DELIVERY

Seller shall cause coal sold hereunder to be properly loaded into barges for delivery to Buyer. The delivery schedule specified in the Purchase Order or as mutually agreed by Seller and Buyer in absence of such in the Purchase Order is binding on both Buyer and Seller and may only be changed by mutual agreement followed by a mutual written agreement between the parties.

2. TITLE AND RISK OF LOSS; WARRANTY

Title to and risk of loss of coal conforming to this Purchase Order shall pass to Buyer as follows:

- a) For barge deliveries, upon receipt of loaded barges at the Barge Delivery Point.
- b) For all Non-Conforming Shipments (as hereinafter defined) title to and risk of loss of coal shall revert back to Seller immediately upon any rejection or non-acceptance by Buyer as provided elsewhere in this Purchase Order.

Seller and Buyer shall each indemnify, defend, and save harmless the other party, its affiliates and their respective officers, directors, agents, representatives and employees from and against any liabilities, losses, claim, damages, penalties, causes of action, or suits (collectively "Claims") arising out of, in connection with or related to their wrongful or negligent respective actions or omissions in the performance of this Purchase Order. Seller represents and warrants that it has title to, and the right to sell, all coal sold hereunder and the same is shipped free and clear of all liens, encumbrances, and claims of all third parties.

Seller and Buyer each agree to indemnify and save harmless the other party, its officers, directors, employees and representatives from any responsibility and liability for any and all claims, demands, losses, or legal actions (including reasonable external attorney's fees) for personal injuries, property damage or pollution which result from or relate to the indemnifying party's negligence or willful misconduct, or which result from or relate to any failure of the indemnifying party to comply with applicable laws, regulations or ordinances.

For the duration of this Purchase Order, Seller, at its own expense agrees to carry, or cause to be carried, insurance coverage, or provide acceptable proof of self-insurance with minimum limits as follows:

- (1) Workers' Compensation and Employer's Liability Policy, which shall include:
 - i. Workers' Compensation (Coverage A);
 - ii. Employer's Liability (Coverage B) with minimum limits of \$1,000,000 Bodily Injury by Accident, each Accident, \$1,000,000 Bodily Injury by Disease, each Employee;
 - iii. All States Endorsement;
 - iv. U.S. Longshore and Harbor Workers Compensation Act coverage (required when Seller performs work that falls under the U.S. Longshore and Harbor Workers Compensation Act);
 - v. Jones Act coverage (coverage can be carried by Seller's barge fleeting service contractor ("Fleeting Contractor") also known as a tugboat service contractor provided Seller solely utilizes contractors for such activities);
- (2) Commercial General Liability Policy, which shall have minimum limits of \$1,000,000 each occurrence, \$2,000,000 Products/Completed Operations Aggregate, \$1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to \$2,000,000 in the general aggregate for all such claims, and including:
 - i. Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Seller under this Purchase Order;
 - ii. Include Additional Insured endorsement GC 2010 or CG2037, or its equivalent;
- (3) Commercial Automobile Liability Policy, covering the use of all owned, non-owned, and hired automobiles, with bodily injury coverage, including death and property damage, combined single minimum limit of \$1,000,000 each occurrence with respect to Seller's or Seller's contractor(s)'s or subcontractor(s)'s vehicles.
- (4) Seller shall carry Umbrella/Excess liability insurance with minimum limits of \$5,000,000 per occurrence, \$5,000,000 in aggregate, to apply to Employer's Liability, Commercial General Liability, Commercial Auto Liability, and Marine Liability coverage.

- (5) Marine Liability and Maritime Employer's Liability insurance is required at all times during the contract term, and should be carried by Seller or Fleeting Contractor. Coverage required includes limits of \$5,000,000 per occurrence and \$5,000,000 in aggregate; coverage shall include marine general liability, contractual liability, protection & indemnity, landing owners', stevedoring, wharfingers, collision & towers liability, Jones Act, Tankerman's Legal and pollution liabilities, including coverage for bodily injury (including death and mental anguish), property damage, defense costs and clean-up costs. Coverage shall be primary and non-contributory. To the extent that the work related to marine liability and maritime employer's liability is performed solely by Seller's contractors or subcontractors, Seller may satisfy this requirement by requiring all applicable contractors or subcontractors carry this coverage.

Except with regard to Workers' Compensation coverage, all of the above policies shall name Buyer as an additional insured. Coverage shall be primary/non-contributory in favor of Buyer. Self-insured retentions are not acceptable without Buyer's consent, except for the \$10,000 maintenance retention on Umbrella coverage. If any of the above policies are written on an occurrence basis, then the retroactive date of the policy or policies will be no later than the effective date of this Purchase Order. If any of the above policies are written on a claims-made basis, then such policy or policies shall be maintained in full force and effect by Seller for a period of no less than eighteen (18) months after any termination or expiration of this Purchase Order. Certificates of insurance satisfactory in form to Buyer and signed by Seller's insurer shall be mailed to: Attention: Manager, Coal Supply Services, LG&E and KU Services Company, 2701 Eastpoint Parkway, Louisville, Kentucky 40223. Seller shall cause its insurer to waive all subrogation rights against Buyer respecting all losses or claims arising from performance hereunder, where applicable by law. The policies shall be written by insurance companies which have a Best Rating of not less than "A -, VII-". Upon Buyer's request, Seller shall provide Buyer with insurance policies from Seller's insurer evidencing the insurance coverage specified in this Purchase Order. Any receipt of such documents or their review by Buyer shall not relieve Seller from or be deemed a waiver of Buyer's rights to insist on strict fulfillment of Seller's obligations under this Purchase Order.

Seller shall provide certificates of insurance to Buyer for each policy of insurance required above, and evidence the items noted below:

- i. Each certificate shall properly identify the certificate holder as Buyer;
- ii. Certificate shall verify additional insured status on all coverages outlined above;
- iii. Certificate shall verify the blanket waiver of subrogation, except where not applicable by law;
- iv. Certificate shall verify Primary/Non-contributory wording in favor of Buyer;
- v. Certificate shall identify policies which are written on a claims-made basis, and state the retroactive date of the policy.

Each policy of insurance required to be maintained by Seller under this Purchase Order (except the Workers' Compensation and Employer's Liability policy) shall cover all losses and claims of Seller regardless of whether they arise directly to Seller or indirectly through Seller's contractors or subcontractors (e.g., Seller's Commercial General Liability policy must cover Seller and additional insureds against negligent acts of a subcontractor, etc.). This Purchase Order only represents minimum insurance requirements; it does not mitigate or reduce liability required by the indemnity agreement, nor should it be deemed to be the full responsibility of the Seller or Seller's contractor(s) or subcontractor(s) for liability. Seller is responsible for Seller's contractor(s)'s or subcontractor(s)'s insurance meeting the requirements of the Purchase Order.

3. WEIGHTS

The weight of the coal delivered hereunder shall be determined by Buyer on a per-shipment basis, on the basis of certified scale weights. Notwithstanding the foregoing, Seller shall transmit its loading weights and qualitative analysis for the relevant Shipment to Buyer as soon as possible.

If Buyer's scale is inoperable, or if Buyer fails to obtain a sample of the coal for qualitative analysis upon unloading, Seller's loading weight (obtained on the basis of certified scale weights, or by the barge displacement method ("drafting") whereby Seller will subtract the as-delivered empty barge weight from the loaded barge weight utilizing the current displacement tables provided by Crounse) shall be used for the relevant shipment, and Seller's analysis shall be the analysis used in determining the payment for the relevant Shipment (the "Payment Analysis"). If drafting is necessary, it will be performed at Seller's loading point by a third party ("Drafting Contractor"). Seller will be notified as soon as possible whenever Buyer's belt scale and/or sampling equipment is out of operation.

Scales (whether Buyer's or Seller's) shall be operated in accordance with NIST Handbook 44. Such scales shall be duly reviewed by an appropriate testing agency and maintained in an accurate condition and certified (i.e. material tested) at least every twelve (12) months in accordance with NIST Handbook 44 with a third party oversight. Seller shall have the right, at Seller's expense and upon reasonable notice, to have Buyer's scales checked for accuracy at any reasonable time or frequency. Buyer shall use commercially reasonable efforts to notify Seller as soon as it knows the date and time for such testing, calibration, and certification and Seller shall have the right to witness such events at Seller's expense. Buyer shall have the right, at Buyer's expense and upon reasonable notice, to have Seller's scales or drafting procedure checked for accuracy at any reasonable time or frequency. Seller shall use commercially reasonable efforts to notify Buyer as soon as it knows the date and

time for such testing, calibration, and certification and Buyer shall have the right to witness such events at Buyer's expense, provided, however, that Buyer shall comply with Seller's then applicable safety and training policies and procedures.

If Buyer's scales are used for payment purposes and are found to be over or under the tolerance range allowable for the scale based on guidelines outlined in NIST Handbook 44 (the "Tolerance"), Buyer shall recalculate the payments for coal weighed on those scales for the period of inaccuracy (not to exceed thirty (30) days before the time any inaccuracy of the scale is determined) based on the percentage of variance identified for the scales from the Tolerance, plus the amount of the Tolerance. Buyer or Seller, as applicable, shall pay to the other such amounts owed as a result of the recalculation, and the expenses incurred in checking the accuracy of said scales shall be paid for by Buyer.

If Seller's scales are used for payment purposes and found to be over or under the tolerance range allowable for the scale based on guidelines outlined in NIST Handbook 44, then Buyer shall recalculate the payments for coal weighed on those scales for the period of inaccuracy (not to exceed thirty (30) days before the time any inaccuracy of the scale is determined) based on the percentage of variance identified for the scales from the Tolerance, plus the amount of the Tolerance. Buyer or Seller, as applicable, shall pay to the other such amounts owed as a result of that recalculation, and the expenses incurred in checking the accuracy of said scales shall be paid for by Seller.

If Seller's drafting procedure is used for payment purposes and is found to be over or under the tolerance range allowable for the procedure, based on industry accepted practices, then Buyer shall recalculate the payments for coal weighed using this procedure for the period of inaccuracy (not to exceed thirty (30) days before the time any inaccuracy is determined) based on the percentage of variance identified from the Tolerance, plus the amount of the Tolerance. Buyer or Seller, as applicable, shall pay to the other such amounts owed as a result of that recalculation, and the expenses incurred in checking the accuracy of drafting procedures shall be paid for by Seller.

If Buyer and Seller fail to obtain a weight or sample in accordance with the above practices and requirements, then the parties will use commercially reasonable, mutually agreed-upon practices to determine the weight and/or analysis.

3. SAMPLING AND ANALYSIS

Buyer and Seller are referred to as "Sampling Party" in this Section 4, depending on whether Buyer or Seller's sample and analysis are used for payment.

Buyer's sample and analysis will be used for payment.

Sampling Party shall perform all sampling and analysis at its expense and the results of Sampling Party's testing shall be accepted and used for the quality and characteristics of the coal delivered under this Purchase Order. The Non-Sampling Party may observe the loading or unloading, sampling, sample preparation and analysis hereunder, provided, however, that Non-Sampling Party shall comply with the Sampling Party's then applicable safety and training policies and procedures. Each Sampling Party's sampling and analysis practices for coal delivered under this Purchase Order shall be performed in substantial compliance with ASTM standards where applicable or mutually agreed methods.

Seller has sole responsibility for quality control of the coal and shall forward the loading quality to Buyer within two (2) business days after loading. The sampling and analysis of the coal delivered hereunder shall be performed by Buyer in Buyer's laboratory on a per-Shipment basis, as defined hereinabove. Buyer's "as-received" quality shall be the Payment Analysis. If Buyer fails to obtain a sample upon unloading at the Destination Points, Seller's weights and analysis shall be used for payment. Samples for analyses shall be taken in accordance with ASTM standards, may be composited, and shall be taken with a frequency and regularity sufficient to provide reasonably accurate, representative samples of the deliveries made hereunder.

Sampling Party shall notify Non-Sampling Party in writing of any significant changes in Sampling Party's sampling and analysis practices within five (5) business days after any such change. Any such changes in Sampling Party's sampling and analysis practices shall, except for ASTM accepted changes in practices, provide for no less accuracy than the sampling and analysis practices existing at the time of the execution of this Purchase Order, unless the Parties otherwise mutually agree.

Each sample taken by the Sampling Party shall be divided into four (4) parts and put into airtight containers, properly labeled and sealed. One (1) part shall be used for analysis by Sampling Party; one (1) part shall be used by Sampling Party as a check sample, if Sampling Party in its sole judgment determines it is necessary; one (1) part shall be retained by Sampling Party until the twenty fifth (25th) of the month following the month of unloading (the "Disposal Date") and shall be delivered to Non-Sampling Party for analysis if Non-Sampling Party so requests before the Disposal Date; and one (1) part ("Referee Sample") shall be retained by Sampling Party until the Disposal Date. Non-Sampling Party, on reasonable notice to Sampling Party, shall have the right to have a representative present to observe the sampling and analyses performed by Sampling Party. Unless Non-Sampling Party requests a Referee Sample analysis before the Disposal Date, Sampling Party's analysis shall be used to

determine the quality of the coal delivered hereunder and shall be the Payment Analysis. The Monthly Weighted Averages shall be determined by utilizing the individual Shipment analyses.

If any dispute arises before the Disposal Date, the Referee Sample retained by Sampling Party shall be submitted for analysis to an independent commercial testing laboratory ("Independent Lab") mutually chosen by Buyer and Seller. All testing of any such sample by the Independent Lab shall be at requestor's expense unless the results differ by more than the applicable ASTM reproducibility standards, in such a case the non-requesting party will be responsible for payment of any lab fee. If the Independent Lab results differ from Sampling Party's analysis by more than the applicable ASTM reproducibility standards, the Independent Lab results will govern.

4. QUALITY PRICE ADJUSTMENTS

(A) Base Price is based on the coal delivered hereunder meeting (i.e. greater than any minimum or less than any maximum) the Monthly Discount Points set forth in the Purchase Order. If, during any particular calendar month, the Actual Monthly Quality (as defined below) does not meet one or more of the Monthly Discount Points, then, to the extent provided in the Purchase Order, the Base Price shall be reduced with respect to each such non-conforming specification. The amount of the Base Price discount for each non-conforming specification, if any, is determined by using the corresponding Monthly Discount Value with respect to each such non-conforming specification, and is calculated in the manner set forth on Exhibit A attached hereto and made a part hereof. For purposes of this Purchase Order, the "Actual Monthly Quality" shall mean the weighted average quality of all coal delivered, accepted, and unloaded by Buyer (on an as received basis during any particular calendar month) hereunder (but not including any coal rejected pursuant to Paragraph (B) below) determined in accordance with the terms and conditions hereof.

Notwithstanding the foregoing, for each specification, there shall be no discount if the Actual Monthly Quality meets the applicable Monthly Discount Point set forth in the Quality Specifications section in the Purchase Order. However, if the Actual Monthly Quality fails to meet such applicable Monthly Discount Point, then the discount shall apply to and shall be calculated as provided in the immediately preceding paragraph. The Monthly Discount Values will be applied only to the particular quality parameter where the Monthly Weighted Average failed to meet the Monthly Discount Point.

(B) If any Shipment of coal triggers any of the Rejection Limits specified herein (a "Non-Conforming Shipment"), Buyer shall have the option, exercisable by notice to Seller of either (i) rejecting such Non-Conforming Shipment at the Delivery Point or in route, but prior to unloading or (ii) accepting any Non-Conforming Shipment with a mutually agreeable price reduction. Should Buyer exercise its right of rejection, it shall notify Seller by E-mail or verbally upon discovery of the Non-Conforming Shipment, such notification to be promptly confirmed in writing. If Buyer fails to timely exercise its rejection rights hereunder as to a Non-Conforming Shipment, Buyer shall be deemed to have waived such rights with respect to that Non-Conforming Shipment only. If Buyer rejects the Non-Conforming Shipment in a timely manner, Seller shall be responsible for promptly transporting the rejected coal to an alternative destination determined by Seller and, if applicable, promptly unloading such coal, and shall reimburse Buyer for all reasonable costs and expenses associated with the transportation, storage, handling and removal of the Non-Conforming Shipment. Seller shall, at Buyer's request, replace the rejected coal as soon as possible, provided that Buyer gives written notice to Seller of Buyer's desire for replacement coal within fifteen (15) days after rejection of the Non-Conforming Shipment.

(C) If there are three (3) Non-Conforming Shipments, whether rejected or not, Buyer may upon notice to Seller suspend the receipt of future Shipments (except Shipments already loaded or in-transit to Buyer) under this Purchase Order. A waiver by Buyer of the suspension right for any one period shall not constitute a waiver for subsequent periods. If Seller, within fifteen (15) days of its receipt of such notice, provides reasonable assurances in writing to Buyer that future Shipments under the Purchase Order will conform to the Specifications and Buyer has accepted such assurances (such acceptance not to be unreasonably withheld), Shipments shall resume and any tonnage deficiencies shall be made up within the Term at Buyer's option, such option to be declared in writing to Seller within fifteen (15) days after resumption of Shipments. The Base Price for such makeup deliveries shall be the Base Price in effect during the suspension period. If (i) Seller fails to provide such acceptable assurances within such fifteen (15) day period, or (ii) after such assurances are provided and for a period of two (2) weeks thereafter, any Shipments of coal trigger any of Buyer's rejection rights under this Section 5, then such events shall constitute an Event of Default.

5. INVOICING AND PAYMENT

(A) Exhibit A attached hereto shows the methodology for calculating the coal payment and quality price adjustments for the month Seller's coal is delivered at the Delivery Point, accepted by Buyer, and unloaded by Buyer.

- (B) For all coal delivered, accepted, and unloaded by Buyer at the Destination Points between the first (1st) and fifteenth (15th) days of any calendar month, Buyer shall make a preliminary payment of one-hundred percent (100%) of the amount owed for the coal (based on the assumption that the coal will meet all guaranteed monthly quality parameters) by the twenty-fifth (25th) day of such month of unloading, except that, if the 25th is not a regular work day, payment shall be made on the next regular work day. All preliminary payments shall be calculated based on the then-current price on a dollar per ton basis as calculated based on the guaranteed monthly weighted average BTU/lb. For all coal delivered, accepted, and unloaded by Buyer at the Destination Points between the sixteenth (16th) and the last day of any calendar month, Buyer shall make a payment of one-hundred percent (100%) of the amount owed for the coal by the fifteenth (15th) day of the month following the month of unloading. Also by the fifteenth (15th) day of the month following the month of unloading, with respect to all coal delivered, accepted, and unloaded by Buyer at the Destination Points during the month of unloading, a reconciliation of amounts paid and amounts owing during said month shall be made, including, making any adjustments for any applicable discounts or other adjustments provided herein, except that, with respect to all amounts due or owing on the fifteenth (15th) of the month following the month of unloading, if the fifteenth (15th) is not a regular work day, payment shall be made on the next regular work day.

For example, Buyer will make a preliminary payment by January 25 for coal delivered, accepted, and unloaded by Buyer from January 1 through January 15. By February 15, a payment for coal delivered, accepted, and unloaded from January 16 through January 31 will be made which will be adjusted to include a reconciliation with respect to all coal delivered, accepted, and unloaded in January. The reconciliation shall be made as follows: Seller shall invoice Buyer on or before the 10th day of the month following the month of unloading for all coal delivered, accepted, and unloaded at the Destination Points during the previous month. The amount due for all coal (based on the Base Price minus any Quality Price Discounts and plus or minus any BTU True Up dollar amounts) delivered, accepted, and unloaded by Buyer during any calendar month shall be calculated and compared to the sum of the preliminary payment made for coal delivered, accepted, and unloaded during such month. The difference shall be paid by Seller or paid to Seller, as applicable, by the fifteenth (15th) day of the month following the month of unloading, except, that, if the 15th is not a regular workday, payment shall be made on the next regular workday.

Seller shall invoice Buyer at the Base Price, plus or minus any quality price adjustments if applicable, for all coal delivered, accepted, and unloaded by Buyer in a calendar month by the 10th day of the month following unloading.

- (C) Payment for coal delivered, accepted, and unloaded by Buyer in a calendar month will be electronically transferred, via ACH, to Seller's Account based on the account information (including bank name, ABA number and account number) provided via electronic mail ("E-mail") by Seller, prior to the first payment under this Purchase Order. Seller reserves the right to modify such account instructions on prior written notice reasonably acceptable to Buyer.
- (D) This order is not subject to Kentucky Sales Tax.
- (E) If any party in good faith reasonably disputes an invoice, it shall provide a written explanation specifying in detail the basis for the dispute and pay any undisputed portion no later than the due date. Notwithstanding anything herein to the contrary, non-payment of disputed portions, so long as such amounts remain disputed in good faith, shall not constitute an Event of Default hereunder. Payment by Buyer, whether knowing or inadvertent, of any amount in dispute shall not be deemed a waiver of any claims or rights by Buyer with respect to any disputed amounts or payments made.

Seller's billing contact:

McBride Marine Transportation, LLC
13615 Rutland Road
Goshen, KY 40026
Attention: Beth McBride
Email: captainmcb@aol.com

7. ASSIGNMENT/DELEGATION

This Purchase Order shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. However, no party shall assign this Purchase Order or any of its rights or obligations hereunder without the prior written consent of the other party. Notwithstanding the foregoing, any party may, without the need for consent from the other party (and without relieving itself from liability hereunder), (a) transfer, sell, pledge, encumber or assign this Purchase Order or the accounts, revenues or proceeds hereof or thereof in connection with any financing or other financial arrangements or (b)

transfer or assign this Purchase Order to an affiliate of such party; provided, however, that no such assignment shall in any way relieve the assignor from liability for full performance under this Purchase Order. Any such assignee shall assume and agree to be bound by the terms and conditions of this Purchase Order.

Written consent to one or more assignments shall not be construed as waiving the necessity of obtaining written consent to other and/or additional assignments.

The parties acknowledge that Buyer's performance of its obligations in this Purchase Order may be performed by one or more agents, including without limitation LG&E and KU Services Company.

8. FORCE MAJEURE

No party shall be subject to liability to the other party for the failure to perform in conformity with this Purchase Order where such failure results from a Force Majeure. A party affected by Force Majeure shall notify the other party in writing as promptly as practicable of the existence of such Force Majeure condition, and shall provide to the other party a written confirmation of such Force Majeure condition, and its expected effect on deliveries and expected duration within five (5) business days following such initial notification. The party affected by the Force Majeure shall remedy the Force Majeure with all reasonable dispatch. In the event of a Force Majeure, delivery of the affected quantity of coal shall be made up in full or in part only at the discretion of the Party not claiming Force Majeure. If an event of Force Majeure persists for a continuous period of at least sixty (60) days, then the party not claiming Force Majeure shall have the option, upon three (3) business days' prior written notice, to terminate this Purchase Order and the obligations of the parties hereunder shall terminate (other than obligations and liabilities for prior performance thereunder). If Seller claims Force Majeure and is unable to meet all of its sales obligations under this Purchase Order and any other of its coal sales agreements involving coal of a similar type and quality as the coal sold hereunder, or if Buyer claims Force Majeure and is unable to meet all of its purchase obligations under this Purchase Order and any other of its coal and/or coal purchase agreements involving coal and/or coal of a similar type and quality as the coal purchased hereunder for the same generating station, then any reductions in Seller's deliveries or Buyer's purchases (as applicable) shall be allocated by the party claiming Force Majeure on a pro rata basis among this Purchase Order and such other coal and/or coal purchase agreements involving coal of a similar type and quality as the coal to be sold and purchased hereunder to the extent contractually permitted by this Purchase Order and such other agreements. For purposes of this paragraph, the term "Force Majeure" means an event or circumstance which prevents one party from performing its obligations under this Purchase Order, which is not within the reasonable control of, or the result of the negligence of, the party claiming Force Majeure, and which by the exercise of due diligence, the claiming party is unable to overcome or avoid or cause to be avoided and includes, by way of illustration and without limitation, acts of God, damage to mines, equipment breakdowns or outages at the Sources, Delivery Point, or Destination Points, insurrections, riots, labor disputes, labor or material shortages, unanticipated adverse geological conditions in coal seams not discernible by prudent engineering, strikes, fires, explosions, floods or high water conditions, earthquakes, pandemic disease or other emergency situations declared by a relevant jurisdiction, notices or declarations of Force Majeure by transportation carriers or coal terminals, embargoes, legislation, court orders, governmental regulation, or orders or acts of any governmental or military authority (in each case, (i) so long as the party claiming Force Majeure has not sought and has opposed, to the extent reasonable, such actions or restraints and (ii) to the extent causing material disruption of the claiming party's operations that is greater than such disruption existing at the time of execution of the Purchase Order), or other causes, whether of a similar or dissimilar nature and otherwise meeting the requirements earlier set forth in this sentence. Force Majeure shall not be based on: (1) the loss of Buyer's markets; (2) Buyer's inability economically to use or resell the coal purchased hereunder; (3) Seller's ability to sell the coal at a price greater than the Base Price; (4) Buyer's ability to buy the coal at a price less than the Base Price; or (5) Seller's inability to economically produce or obtain the coal.

9. WAIVER

The failure of Buyer or Seller to insist in any one or more instances upon strict performance of any of the provisions of this Purchase Order or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions (now or in the future) or the relinquishment of any such rights, but the same shall continue and remain in full force and effect for the term of this Purchase Order.

10. [Reserved.]

11. EVENT OF DEFAULT AND DAMAGES; CONDITIONAL MAKE-UP

If an Event of Default (as hereafter defined) occurs with respect to a party (the "Defaulting Party") at any time during the term of this Purchase Order, the other party (the "Non-Defaulting Party") may, in its sole discretion, do any or all of the following: (i) establish a date (which date shall be no earlier than the date that such notice is given to the Defaulting Party) ("Early Termination Date") on which this Purchase Order shall terminate, (ii) withhold any disputed payments due in respect of this Purchase Order, (iii) suspend performance under this Purchase Order and/or (iv) exercise such other remedies as may be provided in this Purchase Order or at law or in equity. An event of default with respect to any party ("Event of Default") shall

mean any of the following: (1) the failure of either party to comply with any or all of its other respective obligations in good faith as herein set forth and such noncompliance is not cured within ten (10) days after notice thereof to Defaulting Party; (2) either party (a) filing a petition in bankruptcy, (b) having such a petition filed against it, (c) becoming otherwise insolvent or unable to pay its debts as they become due; (3) the failure of a party's guarantor, if any, to perform any covenant set forth in its guaranty, or such guaranty shall expire or be terminated or shall cease to guarantee the obligations of such party hereunder, or such guarantor shall become subject to any of the events specified in (2) (a), (b) or (c), or (4) an event described in Section 5(C) (dealing with non-conforming deliveries or monthly averages) shall have occurred.

Damages Owed to Buyer; Conditional Make-up. If, at the end of the Term, unless excused by Buyer's failure to perform, Seller fails to deliver all or any part of the Quantity of Commodity to be delivered hereunder, and such shortfall is not made up within the next three (3) calendar months after the Term following written notice by Buyer, in its discretion, requesting make-up to Seller, Seller shall pay Buyer for each ton of such deficiency an amount equal to the positive difference, if any, obtained by subtracting the Base Price for the deficiency from the Replacement Price plus any additional transportation costs incurred by Buyer due to such failure. "Replacement Price" means the price, determined by Buyer in a commercially reasonable manner, at which Buyer purchases substitute coal which meets the specifications or, absent such purchase, the market price for such Quantity of coal, FOB Delivery Point. In cases of a short fall due to Force Majeure, the Term shall be deemed automatically extended until such Force Majeure is remedied and the three (3) month make-up period, if elected, shall commence thereafter.

Damages Owed to Seller; Conditional Make-up. If, at the end of the Term, unless excused by Seller's failure to perform, or Buyer's termination rights under this section or Section 18, Buyer fails to accept all or any part of the Quantity of Commodity to be delivered hereunder, and such shortfall is not made up within the next three (3) calendar months after the Term following written notice by Seller, in its discretion, requesting make-up to Buyer shall pay Seller for each ton of such deficiency an amount equal to the positive difference, if any, obtained by subtracting the Sales Price for the deficiency from the Base Price for the deficiency plus any additional transportation costs incurred by Seller due to such failure. "Sales Price" means the price, determined by Seller in a commercially reasonable manner, at which Seller resells the coal, or, absent such sale, the market price for such Quantity and quality of coal, FOB Delivery Point. In cases of a short fall due to Force Majeure, the Term shall be deemed automatically extended until such Force Majeure is remedied and the three (3) month make-up period, if elected, shall commence thereafter.

Each Party shall take commercially reasonable steps to mitigate any damages resulting from any termination of this Purchase Order or a party's breach or default of its obligations under this Purchase Order.

This provision is not intended to create a unilateral or absolute right of excuse from performance hereunder. It is solely intended to provide a measure of damages for applicable inability or failure to meet the performance obligations herein. This provision shall not be construed to create any partial or total buyout rights hereunder. The payment obligations set forth in this provision for the damages incurred are a reasonable approximation of the anticipated harm or loss, to add clarity to the estimation or calculation of actual damages, and not intended as a penalty or otherwise.

12. LIMITATION ON LIABILITY

NEITHER SELLER NOR BUYER SHALL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR BUSINESS INTERRUPTION DAMAGES, WHETHER BY STATUTE, IN TORT OR IN CONTRACT. EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER EXPRESSLY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. SELLER MAKES NO WARRANTY CONCERNING THE SUITABILITY OF COAL DELIVERED HEREUNDER FOR USE IN BUYER'S PLANTS OR OTHER GENERATING STATIONS.

13. REMEDIES

- (A) Except as provided herein, the Parties reserve their right to any other legal or equitable remedies.
- (B) Except as provided herein, the parties' remedies arising from this purchase order are cumulative, and the exercise of any one of them shall not preclude the exercise by a Party of any other remedy which may be allowed by law or equity.

14. ENTIRE AGREEMENT; MODIFICATIONS; COUNTERPARTS

This Purchase Order, the Fuel Purchase Order Terms and Conditions, together with any attachments or exhibits specifically referenced herein (collectively, the "Purchase Order"), constitutes the entire contract between Seller and Buyer with respect to the subject matter hereof, supersedes all prior oral or written representations and contracts, and may be modified only by a written amendment signed by Buyer and Seller. This Purchase Order may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. Delivery of the manual, conformed, or other executed signature pages by facsimile, e-mail, electronic, or other transmission will constitute effective and binding execution and delivery of this Purchase Order.

15. COMPLIANCE WITH THE LAW

The parties shall comply with the provisions of all applicable federal, state, and other governmental laws and any applicable order and/or regulations, or any amendments or supplements thereto, which have been, or may at any time be, issued by a governmental agency, including, without limitation:

- a) applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of the regulations and orders of the U. S. Department of Labor issued under Section 14 thereof.
- b) federal and state Occupational Safety and Health laws;
- c) regulations of the Public Service Commission of Kentucky and Virginia;
- d) the Equal Opportunity Clause in Section 202, Paragraphs 1 through 7 or Executive Order 11246, as amended, and the implementing Rules and Regulations of the Office of Federal Contract Compliance by all of which are incorporated herein by reference; and
- e) Federal and state affirmative action obligations for contractors or subcontractors for minorities and females, handicapped workers and disabled veterans and veterans of the Vietnam Era, and the regulations issued thereunder, as amended from time to time (applicable government affirmative action clauses are incorporated herein by reference).

16. GOVERNING LAW

The rights and duties of the parties hereto shall be determined by the laws of the Commonwealth of Kentucky and to that end this Purchase Order shall be construed and considered as a contract made and to be performed in the Commonwealth of Kentucky.

17. NOTICES

Notices provided for or required under this Purchase Order, unless expressly required to the contrary, may be exercised verbally, but shall be confirmed in writing as soon as practicable. The parties shall be legally bound from the date the notification is exercised. Notices provided for or required in writing herein shall be delivered by hand or electronic means or transmitted by facsimile or sent by certified mail, postage prepaid, return receipt requested, or by overnight mail or courier and addressed as follows:

If to Buyer: Louisville Gas and Electric Company ("LG&E" or "Buyer")
 Kentucky Utilities Company ("KU" or "Buyer")
 2701 Eastpoint Pkwy
 Louisville, Kentucky 40223
 Attn: Director Coal Supply and By-Products Marketing

If to Seller: McBride Marine Transportation, LLC
 13615 Rutland Road
 Goshen, KY 40026
 Attn: Beth McBride
 Email: captainmcb@aol.com

Notices hand delivered or delivered by electronic means, shall be deemed delivered by the close of the business day on which it was hand delivered or delivered by electronic means (unless hand delivered or transmitted by electronic means after the close of the business day in which case it shall be deemed received by the close of the next business day). Notices provided by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of a successful transmission. If the day on which such facsimile is received is not a business day or is after five p.m. Eastern Prevailing Time on a business day, then such facsimile shall be deemed to have been received on the following business day. Notices provided by certified mail, postage prepaid, return receipt requested, or by overnight mail or courier, shall be deemed delivered upon mailing.

18. ADDITIONAL TERMINATION RIGHTS

All coal delivered pursuant to this Purchase Order must meet the standards and specifications as outlined. In addition to any other rights herein, in the event of (a) any change in any applicable laws or regulations, including but not limited to environmental laws and regulations, or in the interpretation hereof or enforcement practices with respect hereto, and such change has an immediate material impact on Buyer's ability to use coal, or (b) the coal hereunder causes any ongoing or prospective problems, concerns, or costs at Buyer's Generating Stations, Buyer may cancel, in whole or in part, its order or orders for any coal ordered as a result of this Purchase Order and may terminate this Purchase Order without any liability or other obligations to Seller, other than those with respect to prior performance.

19. FORWARD CONTRACT

Buyer and Seller each acknowledge that it is a "forward contract merchant" and that all transactions pursuant to this Purchase Order constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

20. NETTING AND SETOFF

Buyer shall have the right to net or set-off from payment hereunder any damages resulting from breach of this Purchase Order by Seller, or any amounts otherwise owed or owing to Buyer from Seller. Buyer shall notify Seller in writing of the basis for the netting or set-off. If any amount netted or set-off is ultimately determined to be due Seller, it shall be paid following such determination.

21. SEVERAL LIABILITY

LG&E and KU shall be severally but not jointly liable for any and all obligations of Buyer hereunder, and either shall be liable only for such obligations that pertain to the particular party actually constituting Buyer with respect to any particular Shipment hereunder.

EXHIBIT A
SAMPLE COAL PAYMENT CALCULATIONS FORM
Total Evaluated Coal Costs for Fuel Purchase Order No. J25014

	Section I	Base Data
1)	Base FOB Price per Ton:	\$25.00 /ton
1a)	Tons of coal delivered, accepted, and unloaded by Buyer:	_____ tons
2)	Guaranteed monthly weighted avg. heat content:	11,000 BTU/lb.
2a)	As received monthly weighted avg. heat content:	_____ BTU/lb.
2b)	Total BTUs delivered, accepted, and unloaded in the month:	_____ MMBTUs
3)	Guaranteed monthly weighted avg. max. Sulfur	3.00 LBS./MMBTU
3a)	As received monthly weighted avg. Sulfur	_____ LBS./MMBTU
4)	Guaranteed monthly weighted avg. max. Ash	15.00 LBS./MMBTU
4a)	As received monthly weighted avg. Ash	_____ LBS./MMBTU
5)	Guaranteed monthly weighted avg. max. Moisture	12.00 LBS./MMBTU
5a)	As received monthly weighted avg. Moisture	_____ LBS./MMBTU
6)	BTU True Up: $\{[(\text{line } 2a - \text{line } 2)] \div \text{line } 2\} \times \text{line } 1$	_____ Dollars/Ton
6a)	BTU True Up Dollars: $(\text{line } 6 \times \text{line } 1a)$	_____ Dollars
	Section II	Discounts
	Assign a (-) to all discounts (round to (5) decimal places)	
7)	BTU/LB.: If line 2a < 10,900 BTU/lb. then: $\{1 - \{(\text{line } 2a) / (\text{line } 2)\} \} \times \$0.2604/\text{MMBTU}$ $\{1 - (\quad) / (\quad)\} \times \$0.2604 =$	\$ _____ / MMBTU
7a)	SULFUR: If line 3a is greater than 3.12 lbs./MMBTU $[(\text{line } 3a) - (\text{line } 3)] \times 0.1232/\text{MMBTU}$ $[(\quad) - (\quad)] \times 0.1232 =$	\$ _____ / MMBTU
7b)	ASH: If line 4a is greater than 16.00 lbs./MMBTU $[(\text{line } 4a) - (\text{line } 4)] \times 0.0083/\text{MMBTU}$ $[(\quad) - (\quad)] \times 0.0083 =$	\$ _____ / MMBTU
7c)	MOISTURE: If line 5a is greater than 13.00 lbs./MMBTU $[(\text{line } 5a) - (\text{line } 5)] \times 0.0016/\text{MMBTU}$ $[(\quad) - (\quad)] \times 0.0016 =$	\$ _____ / MMBTU

	<u>Section III</u>	<u>Total Price Adjustments</u>
	Determine total Discounts as follows:	
8)	BTU/lb Discount Dollars (line 7 x line 2b)	\$ _____ Dollars
9)	Sulfur Discount Dollars (line 7a x line 2b)	\$ _____ Dollars
10)	Ash Discount Dollars (line 7b x line 2b)	\$ _____ Dollars
11)	Moisture Discount Dollars (line 7c x line 2b)	\$ _____ Dollars
12)	Total Discount Dollars: Sum of lines 8 thru 11:	\$ _____ Dollars
	Total Coal Payment Calculation	
13)	Total coal payment for month: [(line 1 x line 1a) + line 6a] – line 12	\$ _____ Dollars

EXHIBIT B

Seller shall have the right to ship coal from the following sources:

Mine Name	MSHA ID#	County/State	Seam
Iron Cumberland Mine	3605018	Greene/PA	Pittsburgh #8
Marshall County Mine	4601437	Marshall/WV	Pittsburgh #8
Ohio County Mine	4601436	Marshall/WV	Pittsburgh #8
Tunnel Ridge Mine	4608864	Ohio/WV	Pittsburgh #8
MC #1 Mine	1103189	Franklin/IL	Illinois #6
Mach #1 Mine	1103141	Williamson/IL	Illinois #6
Deer Run Mine	1103182	Montgomery/IL	Illinois #6
Prairie Eagle	1103147	Perry/IL	Illinois #6
Gateway Mine	1102408	Randolph/IL	Illinois #6
Pride Mine	1519744	Muhlenberg/KY	Kentucky #8
River View Mine	1519374	Union/KY	Kentucky #9 and #11
Hamilton Mine	1103203	Hamilton/IL	Illinois #6