

LIMITED ASSIGNMENT OF USX LEASE

ASSIGNMENT OF LEASE, made this 27th day of April, 2000 by THE WHITT GROUP OF WEST VIRGINIA INC., a West Virginia corporation having an address at P.O. Box 532, Beckley, West Virginia 25802 and 330 Ridgewood Drive, Beaver, West Virginia 25813 (the "Assignor"), to SPRAGUE ENERGY CORP., a Delaware corporation having an address at Two International Drive, Suite 200, Portsmouth, New Hampshire 03801-6809 (the "Assignee" or "Sprague").

WITNESSETH:

1. **Assignment of Leasehold Interests.** For value received, and for other good and valuable consideration, the receipt of which is hereby acknowledged by the Assignor, the Assignor hereby grants, transfers and assigns to the Assignee, its successors and assigns, all right, title and interest of the Assignor, as Lessee, in and to that certain Lease titled "Coal Mining Contract" dated April 26, 2000 by and between Assignor as "Lessee" and USX Corporation, with such Lease being incorporated by reference herein, together with any modifications, extensions or renewals thereof, and all benefits accruing to the Assignor thereunder (said Lease, together with all such modifications, extensions, renewals and benefits being hereinafter referred to as the "Lease"). The within assignment is for the purpose of securing payment and performance of all debts, liabilities and obligations of the Assignor to the Assignee of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising pursuant to, without limitation, a certain Consolidated Loan Agreement of even date by and between the Assignor and the Assignee, as may be amended from time to time (the "Loan Agreement"), under the Bridge Loan Note and under the Term Loan Note, both of even date, of the Assignor payable to the Assignee in the aggregate principal amount of Two Million Ninety Four Thousand Dollars (\$2,094,000.00) (the "Note" or "Notes"), or under any agreements or documents given as security for the Notes (all hereinafter called "Obligations"). Terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

The Assignee, by acceptance hereof, agrees:

a. Not to take any action to assert its rights to possession of the premises demised under the Lease (the "Premises") unless and until there shall exist or occur a default hereunder, an Event of Default (as defined in any Loan Document) or any default respecting any Obligation.

b. Upon payment and performance in full of all Obligations, this Assignment shall be void and of no effect. However, the affidavit, certificate, or other written statement of any officer of the Assignee indicating that any of the Obligations remain unpaid or unperformed shall be and constitute conclusive evidence of the continuing validity and effectiveness of this Assignment, and any person may, and is hereby authorized to, rely thereon.

Inst # 2000-13922

USX Assignment
(Rev. 4/26/00)

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2. Warranties of the Assignor. The Assignor warrants that:

- a. The Assignor has not executed any prior assignment of any of its rights under the Lease or encumbered its leasehold interest in the Lease in any manner whatsoever.
- b. The Assignor has not done anything which might prevent the Assignee from, or limit the Assignee in, operating under any of the provisions hereof or of the Lease.
- c. There is no default, and no event has occurred which with the giving of notice or the passage of time or both would constitute a default, by the Assignor under the Lease.
- d. The Lease is in full force and effect and has not been modified in any respect.
- e. The Assignor has delivered to the Assignee a true, accurate, and complete copy of the Lease.
- f. The Assignor has, subject to the annexed consent of USX Corporation, the right to assign said Lease to the Assignee hereunder and all other necessary consents to assignment, if any, have been obtained.
- g. The Assignor has the right, power, legal capacity, and authority to enter into and perform its obligations under this Assignment, and no approval, consent, order or authorization of or registration or filing with any governmental authority or any other person or entity is necessary or required in connection with this Assignment, and this Assignment will not result in the breach of any document to which the Assignor is a party or any decree or order to which the Assignor is subject.

3. Agreements of the Assignor. The Assignor agrees that:

- a. The Assignee may, in its sole discretion and at the expense of the Assignor, record or cause to be recorded this Assignment.
- b. The Assignor will, at its sole cost and expense, observe, fulfill and perform on a timely basis each and every condition and covenant of the Lease by the Assignor to be observed, fulfilled or performed, including the payment of all rents accruing at the time they shall become due; give prompt notices to the Assignee of any notice received by the Assignor of default by the Assignor under the Lease, together with a complete copy of any such notice; not modify, extend or in any way alter the terms of the Lease; not terminate the term of the Lease or accept a surrender thereof unless required to do so by the terms of the Lease; not waive, or release the lessor from, any

obligations or conditions to be performed by the lessor under the Lease; not sublease any portion of the premises demised under the Lease or assign the Lease or encumber or transfer Assignor's interest in the Lease in any manner whatsoever.

4. Terms and Conditions.

a. The Assignor grants to the Assignee the right, upon or at any time or times after the occurrence or existence of a default by the Assignor under any of the Lease, to cure any such default(s) if the Assignee so elects.

b. At the Assignor's sole cost and expense, the Assignor will appear in and defend any action growing out of or in any manner connected with the Lease or the obligations or liabilities of the lessor, the Assignor or any guarantor thereunder.

c. Should the Assignor fail to do any act as herein provided, then, upon written notice, the Assignee may, but without obligation to do so, make or do the same, including specifically, without limitation, appearing in and defending any action purporting to affect the security hereof or the rights or powers of the Assignee and performing any obligation of the Assignor contained in the Lease, and in exercising any such powers paying necessary court costs, reasonable attorneys' fees, and expenses; and the Assignor will pay immediately upon demand all sums expended by the Assignee under the authority hereof, together with highest rate of interest thereon at the rate from time to time applicable under the Note, and the same shall be included as Obligations and shall be secured hereby and by any and all other collateral at any time given by the Assignor to the Assignee to secure the Obligations.

d. After the occurrence of any default under the Loan Documents or respecting any Obligations, the Assignee, at its option, without notice, and without regard to the adequacy of security for the Obligations, either in person or by agent, with or without bringing any action or proceeding, the Assignee shall have the option to take possession of the Premises, and to hold the same as lessee under the Lease; and, with or without taking physical possession of the Premises: (i) to collect income and profits from operation of the Premises and to apply such income and profits, in such priority as Assignee in its sole discretion may determine, to payment of all expenses of operating, managing and maintaining the Premises, specifically including rent and additional rent under the Lease, and then to payment of the principal, interest and other indebtedness due to the Assignee, together with costs and attorneys' fees; (ii) to execute all options to extend the Lease; (iii) to further assign the rights of the lessee under the Lease, without any right of redemption by the Assignor; and (iv) in general, do any acts which the Assignee deems proper to protect the security hereof or which the lessee under the Lease shall have the right to do; provided, however, that the Assignee must assume the Assignor's obligations on a prospective basis under the Lease if the Assignee assumes the Assignor's rights under the Lease; provided, further, that such assumption shall not relieve the Assignor of its obligations under the Lease, and the Assignor shall remain

primarily liable for such obligations.

e. The Assignee shall not be obligated to perform or discharge any obligation under the Lease or by reason of this Assignment and the Assignor hereby agrees to indemnify and hold harmless the Assignee from and against any and all liability, loss, damage, cost, or expense which the Assignee may or might incur under the Lease or under or by reason of this Assignment, and from and against any and all claims and demands whatsoever which may be asserted against the Assignee by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms of the Lease. Without limitation of the foregoing, it is further understood that this Assignment shall not at any time operate to place responsibility upon the Assignee for the control, care, management or repair of the Premises, nor for the carrying out of any of the provisions of the Lease, nor shall it operate to make the Assignee responsible or liable for any waste committed on the Premises by the Assignor or any other parties, or for any dangerous or defective condition of said Premises, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss or injury or death to any person. Should the Assignee incur any such liability, loss or damage under the Lease or under or by reason of this Assignment, or in defense against any such claims or demands, the amount thereof, including costs, expenses, and attorneys' fees, together with interest thereon at the highest rate from time to time applicable under the Note, shall be included as Obligations and shall be secured hereby and by any and all collateral at any time given by the Assignor to the Assignee to secure the Obligations, and the Assignor shall reimburse the Assignee therefor immediately upon demand.

5. Miscellaneous.

a. The rights of the Assignee hereunder shall not be affected by any extensions, renewals, indulgences, settlements, or compromises respecting any Obligations; by the release of any party primarily or secondarily liable respecting any Obligations; or by the taking or release by the Assignee of any security for any Obligations or for the performance by any party primarily or secondarily liable respecting any Obligations.

b. No delay or omission on the part of the Assignee in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

c. All the Assignee's rights and remedies, whether evidenced hereby or by any other agreement or instrument, or whether otherwise available, shall be cumulative.

d. Any demand or notice which any party may be required to or may elect to give shall be given as provided in the Loan Agreement.

e. All rights of the Assignee hereunder shall inure to the benefit of the successors and assigns of the Assignee, and this Assignment shall bind the Assignor's successors and assigns.

f. If any provision hereof shall be invalid or unenforceable in any respect, the remaining provisions hereof shall remain in full force and effect and shall be enforceable to the maximum extent permitted by law.

g. No consent, approval, or waiver shall be binding on the Assignee unless in writing.

h. This Assignment and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the State of New Hampshire and shall be construed liberally in favor of the Assignee.

WITNESS the execution hereof, as a sealed instrument, on this the day and date first written above.

ASSIGNOR:
THE WHITT GROUP OF WEST
VIRGINIA INC.

Attest:

William D. Stone
Secretary W.D.S.

By: Jerry C. Whitt

Title: Pres.

ASSIGNEE:
SPRAGUE ENERGY CORP.

Attest:
James B. Bunker
Secretary

Attest:

James M. Fisher
Witness

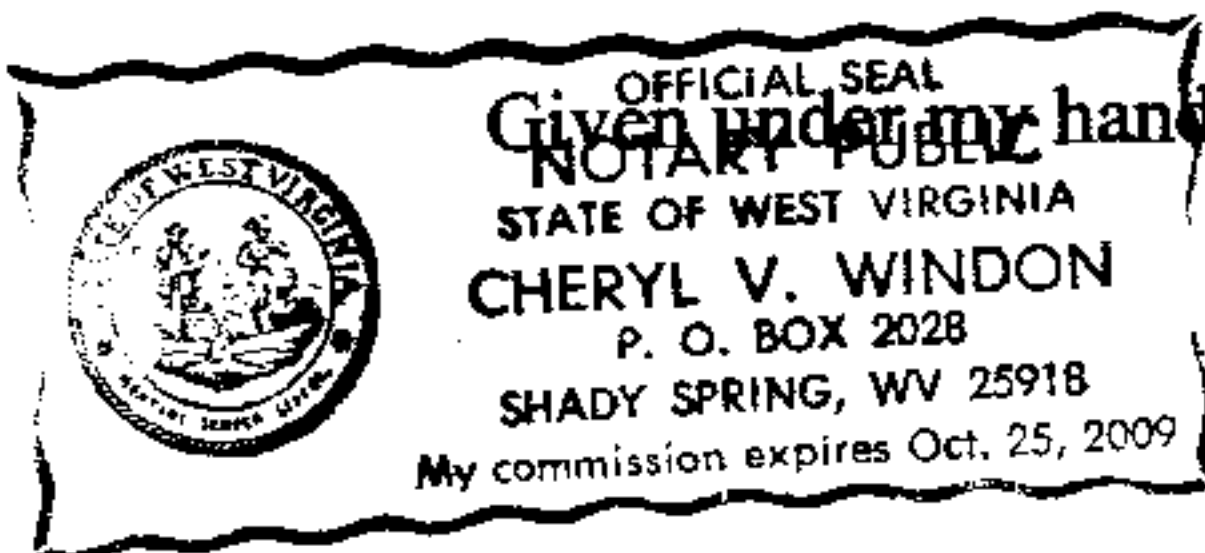
By: T. K. Adams

Title: VICE PRESIDENT

STATE OF West Virginia)

Raleigh COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Jeray C. Wain, whose name as PRESIDENT of The Whitt Group of West Virginia Inc., a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.



Given under my hand and official seal this 27th day of April, 2000.

Cheryl V. Windon
Notary Public

My Commission Expires: Oct 25, 2009

STATE OF New Hampshire)

Rockingham COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Thomas J. Shattuck, whose name as Vice President of Sprague Energy Corp., a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 27th day of April, 2000.

Janet A. Kube
Notary Public

My Commission Expires: 3/4/2003

**CONSENT OF USX CORPORATION
To Limited Assignment**

The annexed Assignment is hereby consented to and approved by the undersigned as lessor under the Lease titled "Coal Mining Contract" dated April 24, 2000 by and between THE WHITT GROUP OF WEST VIRGINIA INC., a West Virginia corporation having an address at P.O. Box 532, Beckley, West Virginia 25802 and 330 Ridgewood Drive, Beaver, West Virginia 25813 (the "Assignor") as "Lessee" and USX Corporation ("USX"), as follows:

1. **Notice and Right to Cure.** USX agrees to provide Sprague with a copy of each notice of default given to Assignor or Lessee under the Lease, at the same time as such notice of default is given to Assignor or Lessee, and that in the event of any default by the Assignor or Lessee under the Lease, USX will take no action to terminate the Lease if the default is curable by Sprague, unless the default remains uncured for a period of thirty (30) days for any monetary default and sixty (60) days for any other default after written notice thereof shall have been given, postage prepaid, to Assignor's or Lessee's address as set forth in the Lease, and to Sprague at Two International Drive, Suite 200, Portsmouth, New Hampshire 03801-6809. Said cure periods for Sprague will run from the date of the original notice of default given to Assignor and Sprague, and not in addition to the notice and cure periods provided for in the Coal Mining Contract. If any default other than a monetary default is such that it reasonably cannot be cured within such sixty (60) day period, such period shall be extended for such additional period of time as shall be reasonably necessary, if Sprague gives USX written notice within such sixty (60) day period of Sprague's election to undertake the cure of the default and if curative action is instituted within such sixty (60) day period and is thereafter diligently pursued. Sprague shall have the right, but not the obligation, to cure any default under the Lease until such time as it elects to exercise its rights under the Assignment or if Sprague shall otherwise succeed to the interest of Assignor under the Lease in any manner.

2. **Notices to USX.** Sprague agrees to provide USX with a copy of each notice of default given to Assignor under its Loan Agreement at the same time as such notice of default is given to Assignor. Sprague shall notify USX in the event that Sprague exercises any of its rights under the Assignment, or if Sprague shall succeed to the interest of Assignor under the Lease in any manner, or if this Limited Assignment agreement is amended or terminated. Said notices or copies shall be sent via fax to USX at 205-783-2529 and via U.S. Mail, postage prepaid addressed to Manager, Southern Lands and Minerals, USX Corporation, P. O. Box 599, Room B-126, Fairfield, Alabama 35064.

3. **Limitations.** Notwithstanding the terms of the attached Limited Assignment of USX Lease, If Sprague exercises any of its rights under the Assignment, or if Sprague shall succeed to the interest of Assignor under the Lease in any manner, Sprague shall be bound to USX under all the terms, covenants and conditions of the Lease, and USX shall, from and after such date, have the same remedies against Sprague for the breach of any agreement contained in the Lease that USX might have had under the Lease against Assignor, if Sprague had not succeeded to the interest of Assignor. Sprague shall not be bound by any amendment or modification of the Lease, or any consent to any assignment or sublet, made without Sprague's prior written consent. Sprague shall not be liable for or incur any obligation with respect to any breach of warranties or representations of Assignor and Sprague shall not be liable to USX for consequential damages. The foregoing shall not, however: (i) relieve Sprague of the obligation to remedy or cure any conditions at the Premises the existence of which constitutes a default under the Lease and which continue at the time of such succession, or (ii) deprive USX of the right to terminate the Lease for a breach of any material covenant which is not cured as provided for herein and in the Lease.

4. **Rights Reserved.** Nothing herein contained is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of: (a) USX under the Lease against the Lessee in the event of any default by Lessee in the payment of rent or in the performance or observance of any of the terms, covenants or conditions of the Lease on Lessee's part to be performed or observed; or (b) the Lessee under the Lease against USX in the event of any default by USX.

5. No Amendment or Cancellation of Lease. So long as the Loan Agreement and Obligations remain outstanding, USX shall not amend, modify, cancel or terminate the Lease, or consent to an amendment, modification, cancellation or termination of the Lease, or agree to subordinate the Lease to any mortgage, without prior notice to Sprague in each instance, except for an action by a court of law.

6. Parties Bound. The provisions of this Agreement shall be binding upon and inure to the benefit of USX, Sprague and Assignor and their respective successors and assigns; provided, however, reference to successors and assigns of Assignor or Lessee shall not constitute a consent by USX or Sprague to an assignment or sublet by Assignor or Lessee, but has reference only to those instances in which such consent is not required pursuant to the Lease or for which such consent has been given.

Attest:

Secretary

STATE OF Alabama)
Jefferson COUNTY)

USX CORPORATION

By: Pete Moller
Title: President

APPROVED
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I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Pete Moller, whose name as President USX Corporation, a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 26th day of April, 2000.

Jani Stricklin
Notary Public
My Commission Expires: 12-9-03

USX Assignment
(Rev. 4/07/00)

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SHELBY COUNTY JUDGE OF PROBATE

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