

PRODUCER - BROKER STATEMENT

This statement is expressly intended for the benefit of Southern Company Services, Inc. and any company on whose behalf Southern Company Services, Inc. may act.

The undersigned Producer has authorized the undersigned Broker to offer for sale the coal to be produced by Producer as described in this Southern Company Services Coal Sales Proposal. Such Broker (1) is authorized to submit a bid or negotiate with Southern Company Services, Inc. concerning such coal, and (2) is authorized to make an arrangement for the sale thereof, by accepting or acknowledging a Purchase Order for such coal, from any company for whom Southern Company Services, Inc. is authorized to act. Any such action by Broker will be binding on Producer, and Producer will mine and deliver the coal covered by such Purchase Order in accordance with and subject to the Terms and Conditions constituting a part of the agreement in the form of such Purchase Order.

The undersigned Producer further designates said Broker as Producer's Attorney-in-Fact for the purpose of handling all transactions, negotiations and other matters with Southern Company Services, Inc. and the company on whose behalf Southern Company Services, Inc. is acting with respect to coal which such Broker is authorized to offer, including, but not limited to (1) entering into, amending, or terminating a Purchase Order, (2) settling any claim or dispute, and executing any release, (3) giving and receiving notices, (4) billing for coal delivered, and (5) receiving money due or to become due.

Producer and Broker agree that this authorization shall be binding in the event (a) the Broker acts as the agent for Producer (b) the Broker purchases the coal from Producer and resells the coal to the company for whom Southern Company Services is acting. Producer and Broker further agree that this authorization shall continue and remain in effect until the expiration of any Purchase Order directly resulting from a Proposal. Producer and Broker agree that they shall be jointly and severally liable to Southern Company Services, Inc. and the company on whose behalf Southern Company Services, Inc. is acting for any breach of any of the Terms and Conditions of said Purchase Order. In the event of any termination of this authorization prior to the expiration of any such Purchase Order, Producer and Broker will hold harmless Southern Company Services, Inc. (and the company on whose behalf it is acting) from and against any claims, action, causes of action, damages or costs resulting from the termination of such authorization.

Producer hereby expressly warrants that it has good title to all coal to be delivered hereunder and that such coal is free and clear of all liens, encumbrances, and claims of third parties.

Producer hereby dedicates up to _____ tons per month for the period of _____ through _____ under this Coal Sales Proposal. Producer certifies that none of the production dedicated to this Coal Sales Proposal is dedicated to other commitments, or is subject to other encumbrances which include but are not limited to Rights of First Refusal, etc.

PRODUCER

(Name of Company)

By _____

BROKER

(Name of Company)

By _____