

**COMMONWEALTH OF VIRGINIA
STANDARD CONTRACT**

Contract Number: MA # E194-608-1-09

This contract entered into this 28 day of 2008 2005, by J & J Energy, Inc. hereinafter called the "Contractor" and Commonwealth of Virginia, Department of General Services, Division of Purchasing & Supply called the "Purchasing Agency."

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the goods/services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF PERFORMANCE: From September 1, 2008 through August 31, 2009.

The contract documents shall consist of:

- (1) This signed form;
 - (a) The IFB # E194-1058-1 folder # 30740,
 - (b) The General Terms and Conditions,
 - (c) The Special Terms and Conditions;
- (2) The Contractor's Response dated July 24, 2008, all of which documents are incorporated herein.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

CONTRACTOR:

PURCHASING AGENCY:

Name: _____

Commonwealth of Virginia,
Department of General Services
Division of Purchases and Supply

By: _____

By: _____

Robert A. Parolisi

Title: _____

Title: Statewide Commodity Contract Officer

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

Master Agreement - E194-608-1-09

Contract Description: TERM CONTRACT, COAL, STOKER

Created On: 08/25/2008
Procurement Folder:
Effective Begin Date: 9/01/2008

NIGP Commodity Code 40506
Procurement Type: IFB
Expiration Date: 8/31/2009

Contact Information

Robert A. Parolisi, VCO
Email: tina.mizelle@dgs.virginia.gov

Phone: (804) 786-0078
Fax: (804) 786-5413

Authorized Departments

ALL STATE AGENCIES AND OTHER PUBLIC BODIES

Vendor – DMBE Swam Certification: Small

Legal Name: J&J Energy Inc
Location Legal Name: Roanoke - J&J Energy Inc
Address: P.O. Box 12426
Roanoke, VA 24025-2426
FIN #: 54-1694786
REMITTANCE ADDRESS:
J & J ENERGY INC.
P O Box 1504
Princeton, WV 24740
Vendor Contact Phone: (540) 989-8570
Fax: (540) 989-8571

Vendor Contact Name: Susanne B. Huddleston
Vendor Email: shuddleston@jandjenergy.com
Vendor Type: Primary

INSTRUCTIONS

1. **ORDERS:**
 - A. Unless otherwise instructed by the Division of Purchases and Supply, all departments, institutions and agencies of the Commonwealth of Virginia will order items/services through eVA.
 - B. If this contract is authorized for use by localities, Virginia cities, counties, towns and political subdivisions, orders will be placed through eVA to the maximum extent possible.
2. The applicable contract number, federal employer identification number (FEI), and item number (for itemized contracts) must be shown on each purchase order and copy, each facsimile transmission or given verbally when telephonic orders are placed.
3. Inspection on delivery and approval of vendor's invoice is the responsibility of receiving state agency, Virginia City, county, town or political subdivision.
4. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the Division of Purchases and Supply for handling with the contractor. Preprinted forms (DGS-41-024), by which to facilitate the notification of the contractor and this office of complaints, are available from the Division of Purchases and Supply (225-4045). The electronic version may be downloaded from the internet at the following link:

<http://www.eva.virginia.gov/buyers/index.htm>
5. **Renewals.** Four (4) Renewals remain.
6. **Price Escalation/De-escalation:** Prices offered for coal shall remain firm for the contract period. Price adjustments for changes in the contractor's cost of transportation may be permitted. Requests for price adjustments for any other reasons will not be granted. Bids are submitted with the understanding that no price increases will be authorized for 180 calendar days after the effective date of the contract. Upward price adjustments may be permitted only at the end of this period and each 90 days thereafter and only where verified to the satisfaction of the purchasing office as provided herein. However, "across the board" price decreases are subject to implementation at any time and shall be immediately conveyed to the Commonwealth.

Contractor shall give not less than 30 days' advance notice of any price increase to the purchasing office. Any approved price changes will be effective only at the beginning of the calendar month following the end of the full 30 day notification period. The contractor shall document the amount and proposed effective date of any general change in the price of materials. Documentation shall be supplied with the contractor's request for increase which will: (1) verify that the requested price increase is general in scope and not applicable just to the Commonwealth of

Virginia; and (2) verify the amount or percentage of increase which is being passed on to the contractor by the contractor's suppliers. Failure by the contractor to supply the aforementioned verification with the request for price increase will result in a delay for the effective date of such increase. The purchasing office may verify such change in price independently. The purchasing office may make such verification as is deemed adequate. However, any increase which the purchasing office determines is excessive, regardless of any documentation supplied by the contractor, may be cause for cancellation of the contract by the purchasing office.

Header Terms and Conditions

Section 07

RENEWAL OF CONTRACT

RENEWAL OF CONTRACT: This contract may be renewed by the Commonwealth upon written agreement of both parties for (four successive one year periods), under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

Section 24

COAL ANALYSIS PRIOR TO SHIPMENT

COAL ANALYSIS PRIOR TO SHIPMENT: The successful bidders will be required to test and run a product analysis on the coal prior to making shipment. Coal not meeting the specifications in all respects will not be shipped. This requirement should eliminate shipments being rejected and or returned to the point of origin. A copy of this analysis shall accompany each shipment and be provided to the receiving agency. Failure to meet this requirement may result in the contractor being declared in default of the contract.

Commodity Information

Line: 1

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 2500

Unit Price: \$ 215.00/ton

Delivery Date: 9/1/2008

Commodity Specs:

Extended Description: LOT 001,BLAND
CORRECTIONAL CENTER (VA GRADE
A)BLAND VIRGINIA 24315.MAXIMUM
TONS/DELIVERY - NO LIMIT

Unit: net ton (2000 lb)

Line Total Amount: \$ TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 2

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Commodity Specs:

Extended Description: LOT 001 (BLAND
CORRECTIONAL CENTER) OIL TREATMENT

Quantity: 2500
Unit Price: \$0.50000/ton
Delivery Date: 9/1/2008

- ADDITIONAL COSTS
Unit: net ton (2000 lb)
Line Total Amount: \$ TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 3

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Commodity Specs:
Extended Description: LOT 001 (BLAND
CORRECTIONAL CENTER) FREIGHT COST -
CARRIER NAME

Quantity: 2500
Unit Price: \$ 26.25/ton
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 4

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Commodity Specs:
Extended Description: LOT 002 - BRUNSWICK
CORRECTIONAL CENTER (VA. SPEC. GR. A)
LAWRENCEVILLE, VA - TRUCK DELIVERED -
MAXIMUM TON/DELIVERED - 50

Quantity: 900
Unit Price: **\$210.00/ton**
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$ TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 5

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Commodity Specs:
Extended Description: LOT 002 (BRUNSWICK
CORRECTIONAL CENTER) - OIL
TREATMENT - ADDITIONAL COST

Quantity: 900
Unit Price: \$0.50000/ton
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 6

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Quantity: 900
Unit Price: \$42.08/ton
Delivery Date: 9/1/2008

Commodity Specs:
Extended Description: LOT 002 (BRUNSWICK
CORRECTIONAL CENTER) - FREIGHT COST
- CARRIER NAME
Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 7

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Quantity: 1500
Unit Price: \$210.00/ton
Delivery Date: 9/1/2008

Commodity Specs:
Extended Description: LOT 003 -
BUCKINGHAM CORRECTIONAL CENTER (VA
SPEC. GR. A) - DILLWYN, VA 23936. TRUCK
DELIVERED ONLY.
Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 8

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Quantity: 1500
Unit Price: \$0.50000/ton
Delivery Date: 9/1/2008

Commodity Specs:
Extended Description: LOT 003 (BUCKINGHAM
CORRECTIONAL CENTER) OIL TREATMENT
- ADDITIONAL COST
Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 9

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Commodity Specs:

Extended Description: LOT 003 (BUCKINGHAM
CORRECTIONAL CENTER) - FREIGHT COST
- CARRIER NAME

Quantity: 1500

Unit Price: \$ 42.23/ton

Delivery Date: 9/1/2008

Unit: net ton (2000 lb)

Line Total Amount: \$TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 10

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Commodity Specs:

Extended Description: LOT 004 -
GREENSVILLE CORRECTIONAL CENTER
(VA. SPEC. GR. A) - JARRATT, VA. DELIVERY
VIA TRUCK ONLY. MAXIMUM
TONS/DELIVERY - 50.

Quantity: 4000

Unit Price: \$210.00/ton

Delivery Date: 9/1/2008

Unit: net ton (2000 lb)

Line Total Amount: \$TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 11

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Commodity Specs:

Extended Description: LOT 004
(GREENSVILLE CORRECTIONAL CENTER)
OIL TREATMENT - ADDITIONAL COST

Quantity: 4000

Unit Price: \$0.50000/ton

Delivery Date: 9/1/2008

Unit: net ton (2000 lb)

Line Total Amount: \$TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 12

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 4000

Unit Price: \$ 41.29/ton

Delivery Date: 9/1/2008

Commodity Specs:

Extended Description: LOT 004
(GREENSVILLE CORRECTIONAL CENTER)
FREIGHT COST - CARRIER NAME

Unit: net ton (2000 lb)

Line Total Amount: \$TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 13

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 4000

Unit Price: \$ 215.00/ton

Delivery Date: 9/1/2008

Commodity Specs:

Extended Description: LOT 006 - VIRGINIA
CORRECTIONAL CENTER FOR WOMEN (VA.
SPEC. GR. A) - GOOCHLAND, VA. -
DELIVERY ON CSX TO: MAIDENS, VIRGINIA -
MAXIMUM TONS/DELIVERY - 240

Unit: net ton (2000 lb)

Line Total Amount: \$ TBD

Delivery Type: Per REVISED Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 14

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 4000

Unit Price: \$0.50000/ton

Delivery Date: 9/1/2008

Commodity Specs:

Extended Description: LOT 006 (VIRGINIA
CORRECTIONAL CENTER FOR WOMEN) -
OIL TREATMENT - ADDITIONAL COST

Unit: net ton (2000 lb)

Line Total Amount: \$TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 15

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Commodity Specs:

Extended Description: LOT 006 (VIRGINIA
CORRECTIONAL CENTER FOR WOMEN) -
CHEMICAL FREEZE PROOFING -
ADDITIONAL COST

Quantity: 2000
Unit Price: \$ 1.00/ton
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$ TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 16

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Commodity Specs:
Extended Description: LOT 006 (VIRGINIA
CORRECTIONAL CENTER FOR WOMEN) -
FREIGHT COST - CARRIER NAME

Quantity: 4000
Unit Price: \$ 35.30/ton
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 17

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Commodity Specs:
Extended Description: LOT 007 - NOTTOWAY
CORRECTIONAL CENTER (VA. SPEC. GR. A)
- BURKEVILLE, VA - DELIVERY BY TRUCK
ONLY - MAXIMUM TONS/DELIVERY - 75

Quantity: 1500
Unit Price: \$ 210.00/ton
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 18

Line Type: Item
Commodity: 40506
Description: Coal And Coke

Commodity Specs:
Extended Description: LOT 007 (NOTTOWAY
CORRECTIONAL CENTER) - OIL
TREATMENT - ADDITIONAL COST

Quantity: 1500
Unit Price: \$0.50000/ton
Delivery Date: 9/1/2008

Unit: net ton (2000 lb)
Line Total Amount: \$TBD
Delivery Type: Per Specifications
Free On Board Name: FOB Destination-Freight
Prepaid

Line: 19

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 1500

Unit Price: \$ 42.00/ton

Delivery Date: 9/1/2008

Commodity Specs:

Extended Description: LOT 007 (NOTTOWAY
CORRECTIONAL CENTER) FREIGHT COST -
CARRIER NAME

Unit: net ton (2000 lb)

Line Total Amount: \$TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 20

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 2000

Unit Price: \$ 220.00/ton

Delivery Date: 9/1/2008

Commodity Specs:

Extended Description: LOT 008 - BUCHANAN
CORRECTIONAL CENTER (KEENE MT.) - VA.
SPEC. GR. C) - OAKWOOD, VA - ROUTE 460
TO ROUTE 680 1/2 MI. TO ROUTE 629 TURN
LEFT GO 3.8 MILES DELIVER BY TRUCK
ONLY - MAXIMUM TONS/DELIVERY - 600

Unit: net ton (2000 lb)

Line Total Amount: \$ TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid

Line: 21

Line Type: Item

Commodity: 40506

Description: Coal And Coke

Quantity: 2000

Unit Price: \$ 20.95/ton

Delivery Date: 9/1/2009

Commodity Specs:

Extended Description: LOT 008 (BUCHANAN
CORRECTIONAL CENTER) - FREIGHT COST
- CARRIER NAME

Unit: net ton (2000 lb)

Line Total Amount: \$ TBD

Delivery Type: Per Specifications

Free On Board Name: FOB Destination-Freight
Prepaid
