

**United States Bankruptcy Court
Eastern District of Kentucky
Ashland Division**

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Appalachian Environmental, LLC	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN(if more than one, state all): 35-2218358	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN(if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): 8010 Lake Bonita Road Catlettsburg, KY	Street Address of Joint Debtor (No. & Street, City, and State):
ZIP CODE 41129	ZIP CODE
County of Residence or of the Principal Place of Business: Boyd	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): c/o James H. Frazier III, Assignee McBrayer, McGinnis, Leslie & Kirkland 201 E. Main St., Ste. 1000 Lexington, KY	Mailing Address of Joint Debtor (if different from street address):
ZIP CODE 40507	ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above):
Boyd County, KY

ZIP CODE **41129**

<p align="center">Type of Debtor (Form of Organization) (Check one box.)</p> <p><input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></p> <p><input checked="" type="checkbox"/> Corporation (includes LLC and LLP)</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)</p> <p>_____</p>	<p align="center">Nature of Business (Check one box)</p> <p><input type="checkbox"/> Health Care Business</p> <p><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)</p> <p><input type="checkbox"/> Railroad</p> <p><input type="checkbox"/> Stockbroker</p> <p><input type="checkbox"/> Commodity Broker</p> <p><input type="checkbox"/> Clearing Bank</p> <p><input checked="" type="checkbox"/> Other</p> <hr/> <p align="center">Tax-Exempt Entity (Check box, if applicable)</p> <p><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code.)</p>	<p align="center">Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)</p> <p><input type="checkbox"/> Chapter 7</p> <p><input type="checkbox"/> Chapter 9</p> <p><input checked="" type="checkbox"/> Chapter 11</p> <p><input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Chapter 13</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</p> <hr/> <p align="center">Nature of Debts (Check one box)</p> <p><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</p> <p><input checked="" type="checkbox"/> Debts are primarily business debts.</p>
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<p align="center">Filing Fee (Check one box)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b) See Official Form 3A.</p> <p><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</p>	<p align="center">Chapter 11 Debtors</p> <p>Check one box:</p> <p><input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p><input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p>Check if:</p> <p><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.</p> <p>-----</p> <p>Check all applicable boxes</p> <p><input type="checkbox"/> A plan is being filed with this petition</p> <p><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</p>
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<p>Statistical/Administrative Information</p> <p><input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</p> <p><input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</p>	THIS SPACE IS FOR COURT USE ONLY
<p>Estimated Number of Creditors</p> <p><input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> Over 100,000</p>	
<p>Estimated Assets</p> <p><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion</p>	
<p>Estimated Liabilities</p> <p><input checked="" type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion</p>	

Voluntary Petition (This page must be completed and filed in every case)	Document	Page 2 of 40 Name of Debtor(s): Appalachian Environmental, LLC
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All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)

Location Where Filed: NONE	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor: Appalachian Holding Company, Inc.	Case Number:	Date Filed: 6/26/2009
District: Eastern	Relationship: Parent Company	Judge: Scott

<p align="center">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p align="center">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p>X Not Applicable</p> <p>_____ Signature of Attorney for Debtor(s)</p> <p>_____ Date</p>
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Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.

No

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue
(Check any applicable box)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property
(Check all applicable boxes.)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following).

(Name of landlord that obtained judgment)

(Address of landlord)

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition
(This page must be completed and filed in every case)

Document
Page 3 of 40
Name of Debtor(s):
Appalachian Environmental, LLC

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

Not Applicable

Signature of Debtor

Not Applicable

Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

I request relief in accordance with chapter 15 of Title 11, United States Code. Certified Copies of the documents required by § 1515 of title 11 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the Chapter of title 11 specified in the petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

Not Applicable

(Signature of Foreign Representative)

(Printed Name of Foreign Representative)

Date

Signature of Attorney

s/ W. Thomas Bunch

Signature of Attorney for Debtor(s)

W. Thomas Bunch Bar No. 09160

Printed Name of Attorney for Debtor(s) / Bar No.

Bunch & Brock Attorneys At Law

Firm Name

271 W. Short Street Suite 805

Address

Lexington, KY 40507

8592545522

Telephone Number

6/26/2009

Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Non-Attorney Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Not Applicable

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

Not Applicable

Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

s/ James H. Frazier III

Signature of Authorized Individual

James H. Frazier III

Printed Name of Authorized Individual

Assignee

Title of Authorized Individual

6/26/2009

Date

PENDING BANKRUPTCY CASE FILED BY ANY SPOUSE, PARTNER, OR AFFILIATE OF THE DEBTOR

Name of Debtor	Case Number	Date
Appalachian Fuels, LLC	09-10343	6/26/2009
District	Relationship	Judge
Eastern	Sister Company	Scott

Name of Debtor	Case Number	Date
Appalachian Premium Fuels, LLC		6/26/2009
District	Relationship	Judge
Eastern	Sister Company	Scott

Name of Debtor	Case Number	Date
Kanawha Development Corporation		6/26/2009
District	Relationship	Judge
Eastern	Sister Company	Scott

United States Bankruptcy Court

Eastern District of Kentucky

Ashland Division

In re:

Case No. _____

Chapter **11**

Appalachian Environmental, LLC

STATEMENT REGARDING AUTHORITY TO SIGN AND FILE PETITION

I, **James H. Frazier, III**, declare under penalty of perjury that I am the **Assignee** of **Appalachian Environmental, LLC**, a **Kentucky** Corporation and that on **06/26/2009** the following resolution was duly adopted by the of this Corporation:

"Whereas, it is in the best interest of this Corporation to file a voluntary petition in the United States Bankruptcy Court pursuant to Chapter 11 of Title 11 of the United States Code;

Be It Therefore Resolved, that **James H. Frazier III, Assignee** of this Corporation, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a Chapter 11 voluntary bankruptcy case on behalf of the Corporation; and

Be It Further Resolved, that **James H. Frazier III, Assignee** of this Corporation, is authorized and directed to appear in all bankruptcy proceedings on behalf of the Corporation, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the Corporation in connection with such bankruptcy case; and

Be It Further Resolved, that **James H. Frazier III, Assignee** of this Corporation, is authorized and directed to employ **W. Thomas Bunch**, attorney and the law firm of **Bunch & Brock Attorneys At Law** to represent the Corporation in such bankruptcy case."

Executed on: 6/26/2009

Signed: s/ James H. Frazier III
James H. Frazier, III

**TRUST AGREEMENT AND ASSIGNMENT
FOR THE BENEFIT OF CREDITORS
OF
APPALACHIAN HOLDING COMPANY, INC. AND ITS SUBSIDIARIES**

THIS TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT OF CREDITORS is made and entered into this 26th day of May, 2009, by and among Appalachian Holding Company, Inc., and its subsidiaries Appalachian Fuels, LLC, Appalachian Coal Holdings, Inc., Appalachian Ventures, LLC, Appalachian Fuels Services, LLC, Mega Mining, LLC, Appalachian Resources, LLC, Bryant Mining Company, Inc., Appalachian Land Company, Kanawha Development Corporation, Southern Eagle Energy, LLC, Appalachian Environmental, LLC, Appalachian Premium Fuels, LLC, and Huff Creek Energy Company, all of which are located at 1500 North Big Run Road, Ashland, KY 41102, (collectively, "Assignors"), and James H. Frazier (not individually, but solely as Trustee-Assignee for the Benefit of Creditors) of McBrayer, McGinnis, Leslie & Kirkland PLLC, located at 201 East Main Street, Suite 1000, Lexington, Kentucky 40507 (hereinafter referred to as the "Trustee-Assignee").

WITNESSETH:

WHEREAS, Assignors are indebted to various persons, corporations, and other entities, and are unable to pay their debts in full, and have decided to discontinue their businesses and are desirous of transferring their property to an assignee for the benefit of their creditors so that the property so transferred may be expeditiously liquidated and the proceeds thereof fairly distributed to their creditors without any preference or priority, except such priority as is established and permitted by applicable law;

NOW, THEREFORE, in consideration of Assignors' existing indebtedness to their creditors, the express undertakings of the Trustee-Assignee and the mutual covenants contained herein, it is hereby AGREED:

1. **Creation and Object of Trust.** The name of this trust ("Trust") shall be the "Appalachian Holding Creditors Trust" and its object shall be the orderly liquidation of the assets and property of Assignors and the distribution of the proceeds of that liquidation to creditors of Assignors in accordance with §§379.010 *et seq.* of the Kentucky Revised Statutes ("KRS"). Assignors hereby nominate and appoint James H. Frazier of McBrayer, McGinnis, Leslie & Kirkland PLLC as Trustee-Assignee to carry out the purpose of this Trust in accordance with its terms and conditions. The Trustee-Assignee shall have the powers and duties hereinafter set forth, and shall receive reasonable compensation for his services and reimbursement of his reasonable expenses, including, but not limited to, reimbursement of his reasonable attorneys' fees and costs. The Trustee-Assignee will serve under a bond executed pursuant to KRS §379.030.
2. **Transfer of Assets.** Assignors do hereby irrevocably grant, convey, assign transfer, and set over to the Trustee-Assignee, all the property and assets of Assignors, whatsoever and wheresoever situated, which are now, or ever have been, used in connection with the operation of Assignors' businesses. The property and assets transferred shall include, without limitation, if any such assets exist, the right to receive incoming mail, all real property, all personal property, tangible and intangible, including, without limitation, all cash on hand,

bonds, bank accounts, all accounts receivable, all furniture, fixtures, equipment, leasehold improvements, inventory, general intangibles, patents, insurance premium and/or policy refunds, tradenames, trademarks, franchises, service marks, and causes of action, subject to any liens, claims and encumbrances on such property and assets. Title to the property and assets of Assignors shall immediately vest in the Trustee-Assignee for the use and purpose hereinafter set forth.

3. **Powers and Duties of Trustee-Assignee.** The Trustee-Assignee shall have the following powers, rights and duties set forth in KRS §§379.010 through 379.150, including but not limited to the authority to:

- (a) Collect any and all accounts receivable owing to the Assignors.
- (b) Continue to borrow and pledge the Assignors' assets if approved by the court administering the Assignors' estates.
- (c) Sell, or otherwise dispose of any real property of Assignors.
- (d) Sell, or otherwise dispose of, if such exists, all tangible and intangible personal property of Assignors including, but not limited to, all of their machinery, equipment, inventory, service marks, tradenames, trademarks, patents, franchises, causes of action and general intangibles, at private or public sale upon such notice and upon such terms conforming with KRS §379.090. The Trustee-Assignee shall have the power to employ an auctioneer to conduct such sale and to advertise such sale in such manner as the Trustee-Assignee deems best. The Trustee-Assignee shall have the power to execute bills of sale and any other

documents necessary to convey title to Assignors' personal property. The Trustee-Assignee shall have the power to enter into an agreement with any party to participate in a liquidation sale with the Trustee-Assignee hereunder for the benefit of creditors sharing in the profits from such sale.

- (e) Employ, according to customary retention terms, attorneys, accountants, and such additional personnel to whatever extent may be necessary to handle the administrative details of this Trust.
- (f) Require all creditors of Assignors to whom a balance is now owing to submit verified statements of their accounts pursuant to notice provided under KRS §379.100.
- (g) To settle any and all claims against or in favor of Assignors, or in the discretion of the Trustee-Assignee, to sue or be sued, and to prosecute or defend any claim or claims of any nature whatsoever existing or in favor of Assignors pursuant to KRS §§379.120 and 379.150 through 379.170.
- (h) To pay the respective creditors of Assignors out of the monies that shall come into his hands as Trustee-Assignee in amounts and under the priorities established by KRS §§379.010 and 379.130:
 - (i) First, to pay the reasonable costs and expenses (including reasonable legal fees and court costs) of executing and administering the trust hereby created, including reasonable compensation to the Trustee-Assignee for his services.

- (ii) Second, to pay the debts of secured parties with valid liens on any property conveyed by the deeds of assignment, to the extent of the proceeds garnered from the disposition of that property, with the unsatisfied remainder to be treated as a general unsecured claim.
- (iii) Third, to pay the unsecured creditors their allowed claims as determined under KRS §379.120; provided, however, that if there shall not be sufficient funds with which to pay all said debts, then said debts are to be paid ratably and in proportion. Distributions made pursuant to this subsection must comply with KRS §379.130.
- (iv) Fourth, to pay the surplus, if any, of the Trust's funds, when all debts of the Trust shall have been paid in full, to the Assignors.
- (i) To do and perform any and all other acts necessary and proper for the orderly liquidation or other disposition, including, but not limited to, abandonment of the assets and property of Assignors and the distribution of the proceeds derived therefrom to the respective creditors of Assignors.

4. **Employment of Counsel of Trustee-Assignee.** It is hereby represented and agreed by the parties that McBrayer, McGinnis, Leslie & Kirkland PLLC shall be employed to act as attorney for the Trustee-Assignee, and shall render such legal services as the Trustee-Assignee requires during the existence of this Trust.

Additional special counsel may be retained by the Trustee-Assignee should he deem the same necessary.

5. **Rights of Creditors.** All rights and remedies of the creditors against any surety or sureties for Assignors are hereby expressly reserved and nothing herein contained shall prevent the creditors or any of them from suing any third parties or persons who may be liable to any of the creditors for all or any part of their claims against Assignors, or from enforcing or otherwise obtaining the full benefit of any mortgage, charge, pledge, lien or their security which they now hold on any property, creditors or effects of Assignors.
6. **Administration of Trust.** The Trustee-Assignee shall, except as provided in KRS §379.170, be subject to the orders and supervision of the District Court and may be required at any time upon reasonable notice to file any report ordered. The Trustee-Assignee may, when the court so directs, be examined in open court regarding the condition of the estate and its management.
7. **Liability of Trustee-Assignee.** It is understood and agreed that the Trustee-Assignee is to assume no personal liability or responsibility for any of his acts as Trustee-Assignee herein, other than for intentional misconduct or gross negligence, and without limiting the foregoing his obligation shall be limited to the performance of the terms and conditions of this Trust Agreement, in good faith and in the exercise of his best judgment.
8. **Warranties of Assignors.** Assignors hereby warrant as follows:
 - (a) The lists of creditors delivered concurrently herewith to the Trustee-Assignee is complete and correct as reflected by the books and records of

Assignors, or through its officers and directors, as to names of said creditors, their addresses and the amount due them.

- (b) Assignors, through their officers and directors, shall perform any and all acts reasonably necessary and proper to assist the Trustee-Assignee in the orderly liquidation of Assignors' assets and the collection of monies owing to the Assignor, and in the distribution of said monies and the proceeds of asset sales to Assignors' creditors; provided, however, the officers and directors of Assignors shall only provide such assistance to the Trustee-Assignee to the extent, and on the condition that they are reasonably compensated for such services.

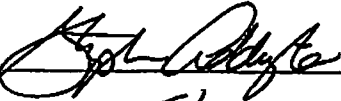
9. **Governing Laws.** This Trust Agreement, and the obligations of the parties hereto, shall be construed or governed, as the case may be, in accordance with the laws of the Commonwealth of Kentucky.

10. **Acceptance by Trustee-Assignee.** The Trustee-Assignee does hereby accept the Trust herein created and agrees to faithfully perform the same according to the best of the Trustee-Assignee's skill, knowledge and ability. It is understood that the Trustee-Assignee shall receive reasonable compensation for his services rendered in connection with the Trust.

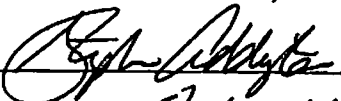
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IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

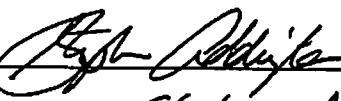
APPALACHIAN HOLDING COMPANY, INC.

By: 
Print Name: Stephen Addington
Its: President

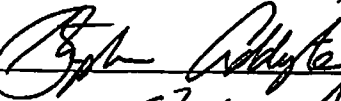
APPALACHIAN FUELS, LLC

By: 
Print Name: Stephen Addington
Its: President

APPALACHIAN COAL HOLDINGS, INC.

By: 
Print Name: Stephen Addington
Its: President

APPALACHIAN VENTURES, LLC

By: 
Print Name: Stephen Addington
Its: President

APPALACHIAN FUELS SERVICES, LLC

By: *Steph Addington*
Print Name: Stephan Addington
Its: President

MEGA MINING, LLC

By: *Steph Addington*
Print Name: Stephan Addington
Its: President

APPALACHIAN RESOURCES, LLC

By: *Steph Addington*
Print Name: Stephan Addington
Its: President

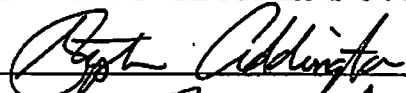
BRYANT MINING COMPANY, INC.

By: *Steph Addington*
Print Name: Stephan Addington
Its: President


APPALACHIAN LAND COMPANY

By: *Steph Addington*
Print Name: Stephan Addington
Its: President


KANAWHA DEVELOPMENT CORPORATION

By: 
Print Name: Stephen Addington
Its: President

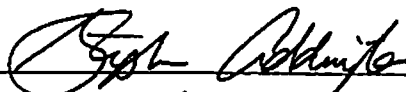
SOUTHERN EAGLE ENERGY, LLC

By: 
Print Name: Stephen Addington
Its: President

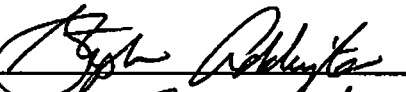
APPALACHIAN ENVIRONMENTAL, LLC

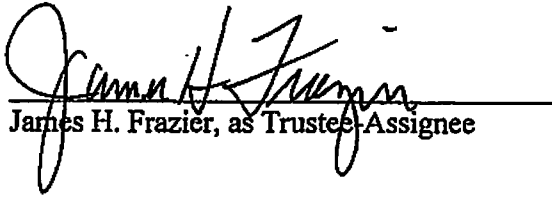
By: 
Print Name: Stephen Addington
Its: President

APPALACHIAN PREMIUM FUELS, LLC

By: 
Print Name: Stephen Addington
Its: President

HUFF CREEK ENERGY COMPANY

By: 
Print Name: Stephen Addington
Its: President


James H. Frazier, as Trustee-Assignee

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Holding Company, Inc., on behalf of said company.

Bartley Hayes
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Fuels, LLC, on behalf of said company.

Bartley Hayes
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Coal Holdings, Inc., on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Ventures, LLC, on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Fuels Services, LLC, on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Mega Mining, LLC, on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Resources, LLC, on behalf of said company.



NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Bryant Mining Company, Inc., on behalf of said company.



NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Land Company, on behalf of said company.

Batley Hays
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

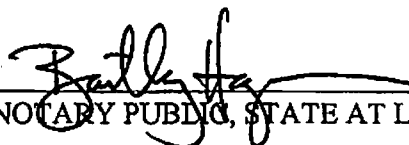
The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Kanawha Development Corporation, on behalf of said company.

Batley Hays
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Southern Eagle Energy, LLC, on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Environmental, LLC, on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Appalachian Premium Fuels, LLC, on behalf of said company.


NOTARY PUBLIC STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

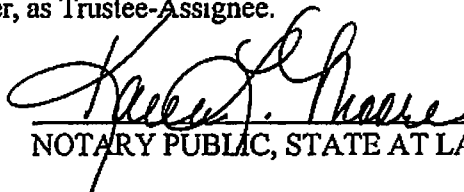
The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by Stephen Addington as President of Huff Creek Energy Company, on behalf of said company.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: Aug. 2, 2011

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 26th day of May, 2009 by James H. Frazier, as Trustee-Assignee.


NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 8-14-2011



AMENDMENT TO TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT
OF CREDITORS OF APPALACHIAN HOLDING COMPANY, INC. AND ITS
SUBSIDIARIES

This is an Amendment to Trust Agreement and Assignment for the Benefit of Creditors of Appalachian Holding Company, Inc. and its Subsidiaries (this "Amendment"), dated effective retroactive to May 26, 2009, by and among Appalachian Holding Company, Inc., and its subsidiaries Appalachian Fuels, LLC, Appalachian Coal Holdings, Inc., Appalachian Ventures, LLC, Appalachian Fuels Services, LLC, Mega Mining, LLC, Appalachian Resources, LLC, Bryant Mining Company, Inc., Appalachian Land Company, Kanawha Development Corporation, Southern Eagle Energy, LLC, Appalachian Environmental, LLC, Appalachian Premium Fuels, LLC, and Huff Creek Energy Company (collectively, "Assignors"), and James H. Frazier (not individually, but solely as Trustee-Assignee for the Benefit of Creditors) (hereinafter referred to as the "Trustee-Assignee").

WHEREAS, Assignors and Trustee-Assignee are parties to a Trust Agreement and Assignment for the Benefit of Creditors of Appalachian Holding Company, Inc. and its Subsidiaries (the "Original Agreement").

WHEREAS, the parties desire to amend the Original Agreement as follows.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows.

1. Definitions. Capitalized terms not defined herein have the meanings given such terms in the Original Agreement.

2. Amendments.

(a) The following is hereby added to the Original Agreement, as a new Section 3(j):

(j) Exercise all powers of the Assignors, or any Assignor, to make any filing, including making or causing the filing of a bankruptcy petition, on behalf of the Assignors that could otherwise be made on behalf of the Assignors by their boards of directors, managers, officers, shareholders, or members, under any chapter or section of the United States Bankruptcy Code (the "Code").

(b) The following is hereby added to the Original Agreement, as a new Section 3(k):

(k) Prosecute and/or pursue any bankruptcy case under the Code on behalf of the Assignors, or any Assignor, or make any filing or pursue any action in connection therewith, to the extent that the same could otherwise be made on behalf of the Assignors by their boards of directors, managers,

officers, shareholders, or members, including, without limitation, filing any motion for conversion or consolidation of a bankruptcy case, or signing any corporate or limited liability company resolution or consent on behalf of any Assignor.

(c) The following is hereby added to the Original Agreement, as a new Section 3(l):

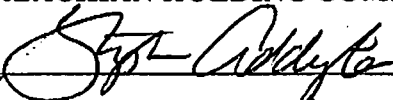
(l) Act as chief restructuring officer of, trustee of, or in any similar capacity on behalf of, the Assignors in any bankruptcy case.

3. Effect on Original Agreement. Except as specifically amended by this Agreement, the Original Agreement shall remain in full force and effect and is hereby ratified and confirmed.

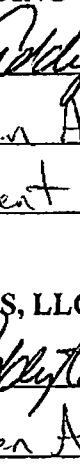
4. Counterparts. This Agreement may be executed in any number of counterparts (including via facsimile or e-mail), each of which is an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.


APPALACHIAN HOLDING COMPANY, INC.

By: 
Print Name: Stephen Addington
Its: President


APPALACHIAN FUELS, LLC

By: 
Print Name: Stephen Addington
Its: President

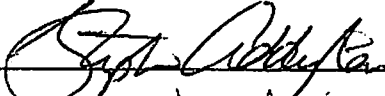
APPALACHIAN COAL HOLDINGS, INC.

By: 
Print Name: Stephen Addington
Its: President

APPALACHIAN VENTURES, LLC

By: 
Print Name: Stephen Addington
Its: President

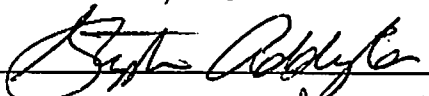
APPALACHIAN FUELS SERVICES, LLC

By: 

Print Name: Stephen Addington

Its: President

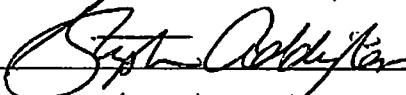
MEGA MINING, LLC

By: 

Print Name: Stephen Addington

Its: President

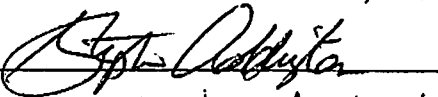
APPALACHIAN RESOURCES, LLC

By: 

Print Name: Stephen Addington

Its: President

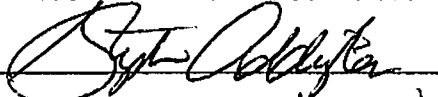
BRYANT MINING COMPANY, INC.

By: 

Print Name: Stephen Addington

Its: President

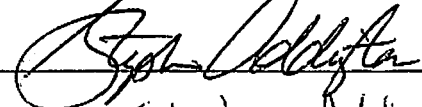
APPALACHIAN LAND COMPANY

By: 

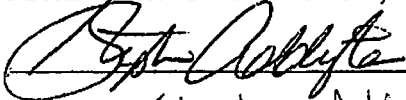
Print Name: Stephen Addington

Its: President

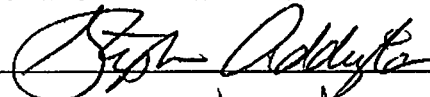
KANAWHA DEVELOPMENT CORPORATION

By: 
Print Name: Stephen Addington
Its: President

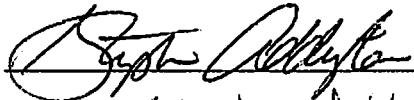
SOUTHERN EAGLE ENERGY, LLC

By: 
Print Name: Stephen Addington
Its: President

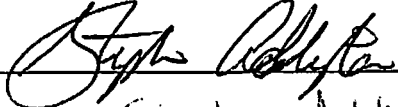
APPALACHIAN ENVIRONMENTAL, LLC

By: 
Print Name: Stephen Addington
Its: President

APPALACHIAN PREMIUM FUELS, LLC

By: 
Print Name: Stephen Addington
Its: President

HUFF CREEK ENERGY COMPANY

By: 
Print Name: Stephen Addington
Its: President

A handwritten signature in blue ink, appearing to read "James H. Frazier Trustee-Assignee". The signature is written in a cursive style with a large initial "J".

James H. Frazier, as Trustee-Assignee

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Holding Company, Inc., on behalf of said company.

Crystal Slutsy
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Fuels, LLC, on behalf of said company.

Crystal Slutsy
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Coal Holdings, Inc., on behalf of said company.

Crystal Slutsy
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Ventures, LLC, on behalf of said company.

Crystal Slutsy
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Fuels Services, LLC, on behalf of said company.

Crystal Slutz
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Mega Mining, LLC, on behalf of said company.

Crystal Slutz
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Resources, LLC, on behalf of said company.

Crystal Slutz
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF Boyd)

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Bryant Mining Company, Inc., on behalf of said company.

Crystal Slutz
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Land Company, on behalf of said company.

Crystal Sluts
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Kanawha Development Corporation, on behalf of said company.

Crystal Sluts
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Southern Eagle Energy, LLC, on behalf of said company.

Crystal Slutsy
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Environmental, LLC, on behalf of said company.

Crystal Slutsy
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Appalachian Premium Fuels, LLC, on behalf of said company.

Crystal Slutz
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
COUNTY OF Boyd) SS

The foregoing agreement was subscribed, sworn to and acknowledged before me on this 24th day of June, 2009 by Stephen Addington as President of Huff Creek Energy Company, on behalf of said company.

Crystal Slutz
NOTARY PUBLIC, STATE AT LARGE

My Commission
Expires: 6-10-10

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF JAMESON)

26th The foregoing agreement was subscribed, sworn to and acknowledged before me on this day of June, 2009 by James H. Frazier, as Trustee-Assignee.



NOTARY PUBLIC, STATE AT LARGE

My Commission Expires: 8-5-2012

Cumberland Surety, Inc.

367 West Short St.

Lexington, KY 40507

Lyndon Property Insurance Company

14755 North Outer Forty Rd, Ste 400

St. Louis, MO 63017

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
ASHLAND DIVISION**

IN THE MATTER OF:

CHAPTER 11

APPALACHIAN ENVIRONMENTAL, LLC

CASE NO. 09-_____

DEBTOR

VERIFICATION OF MAILING LIST MATRIX

Comes the Debtor, by and through its Assignee, James H. Frazier III, and hereby declares under penalty of perjury that the attached mailing list matrix of creditors and other parties-in-interest is true and correct and complete to the best of my knowledge.

/s/ James H. Frazier III, Assignee
JAMES H. FRAZIER III, Assignee
Date: June 26, 2009