

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
National Coal Corp.		10/12/2006	CORPORATION:
National Coal Corporation		10/12/2006	CORPORATION:
NC Transportation, Inc.		10/12/2006	CORPORATION:
NC Railroad, Inc.		10/12/2006	CORPORATION:

RECEIVING PARTY DATA

Name:	Guggenheim Corporate Funding, LLC
Street Address:	135 East 57th Street
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
Entity Type:	LIMITED LIABILITY COMPANY:

PROPERTY NUMBERS Total: 3

Property Type	Number	Word Mark
Registration Number:	2864645	NCC
Registration Number:	2835601	NATIONAL COAL CORPORATION
Serial Number:	78549105	N

CORRESPONDENCE DATA

Fax Number: (212)310-8007
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Email: tlalit.parker@weil.com, phyllis.depaola@weil.com
 Correspondent Name: Weil, Gotshal Manges c/o Tlalit Packer
 Address Line 1: 767 5th Avenue
 Address Line 4: New York, NEW YORK 10153

ATTORNEY DOCKET NUMBER:	51014.0028
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CH \$90.00 2864645

NAME OF SUBMITTER:	Tlalit Packer
Signature:	/Tlalit Packer/
Date:	10/16/2006
Total Attachments: 5 source=nationalcoal#page1.tif source=nationalcoal#page2.tif source=nationalcoal#page3.tif source=nationalcoal#page4.tif source=nationalcoal#page5.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**") dated October 12, 2006, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Guggenheim Corporate Funding, LLC ("**GCF**") as Administrative Agent (the "**Administrative Agent**") for the Secured Parties (as defined in the Credit Agreement (as defined below)).

WHEREAS, National Coal Corporation, a Tennessee corporation ("**Borrower**"), National Coal Corp., a Florida corporation ("**Holdings**"), and the Grantors have entered into a Credit Agreement dated as of October 12, 2006 (as amended, amended and restated, supplemented or otherwise modified from time to time the "**Credit Agreement**"), with the Administrative Agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

WHEREAS, as a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement, each Grantor has executed and delivered that certain Security and Guarantee Agreement dated October 12, 2006 made by the Grantors to the Administrative Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**").

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Administrative Agent a security interest in, among other property, certain intellectual property of the Grantors, and have agreed as a condition thereof to execute this IP Security Agreement for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

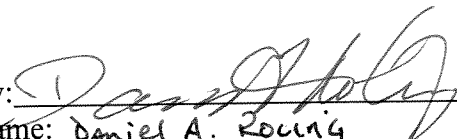
1. Grant of Security. Each Grantor hereby grants to the Administrative Agent for the ratable benefit of the Secured Parties, a security interest in all of such Grantor's right, title and interest in and to the following (the "**Collateral**"):
 - (a) the trademark and service mark registrations and applications set forth on Schedule A hereto (provided that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the "**Trademarks**");
 - (b) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor (the "**Copyrights**");

- (c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;
- (d) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and
- (e) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

2. Security for Obligations. The grant of a security interest in, the Collateral by each Grantor under this IP Security Agreement secures the payment of all Obligations of such Grantor now or hereafter existing under or in respect of the Term Loans, the Credit Agreement, or the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.
3. Recordation. Each Grantor authorizes and requests that the Register of Copyrights and the Commissioner for Trademarks and any other applicable U.S. government officer record this IP Security Agreement.
4. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
5. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. Each Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Administrative Agent with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.
6. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, each Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

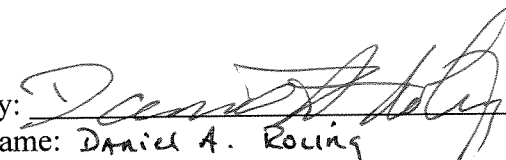
NATIONAL COAL CORP.

By: 
Name: Daniel A. Roung
Title: CEO

Address for Notices:

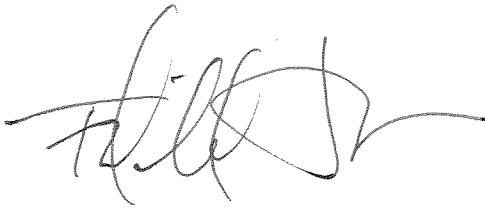
8915 GEORGE WILLIAMS Rd., Knoxville,
TN 37923

NATIONAL COAL CORPORATION

By: 
Name: Daniel A. Roung
Title: CEO


Address for Notices:

See Above



T. Michael Love
Secretary

NC TRANSPORTATION, INC.

By: 


Name:

Title:

Address for Notices:

8915 Geo. Williams Rd, Knoxville, TN 37923

NC RAILROAD, INC.

By: 

Name: Charles W. Kite

Title: President

Address for Notices:

8915 Geo. Williams Rd.
Knoxville TN 37923

Schedule A

Trademark	Filing Date	Appl. No.	Issue Date	Reg. No.	Status	Owner
NCC	8/4/03		5/20/04	2,864,645	Effective	National Coal Corporation
NCC (TN Registration)			07/07/2003		Effective	National Coal Corporation
NATIONAL COAL CORPORATION	8/4/03			2,835,601	Effective	National Coal Corporation
N	1/18/2005	78549105 (Serial No.)		Not Available	Pending	National Coal Corporation