



COAL PURCHASE CONFIRMATION

Buyer: Duke Energy Kentucky, Inc.
526 South Church Street
Charlotte, NC 28202
Attention: Eddie Vinson, Manager, Coal Origination
Mail Code: EC02F
(P) 980.373.2763
Email: Eddie.Vinson@duke-energy.com

Seller: White Stallion Energy, LLC
250 Cross Pointe
Evansville, IN 47715

This confirms the agreement entered into this 17th day of October 2018 (the "Effective Date"), by and between Duke Energy Kentucky, Inc. ("Buyer") and White Stallion Energy, LLC. ("Seller"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of coal (the "Transaction") under the terms specified herein.

This letter constitutes an agreement for the sale and purchase of coal and constitutes a "Confirmation" under the Terms and Conditions (as defined below). This Confirmation shall be governed by the terms set forth herein and the parties hereby incorporate the provisions of those certain Terms and Conditions of Sale and Purchase of Coal of even date herewith between Buyer and Seller (the "Terms and Conditions") as terms and conditions to this Confirmation. All provisions contained in the Terms and Conditions govern this Confirmation to the extent not in conflict with the terms hereof. The terms of this Confirmation shall prevail in the event of an inconsistency between the terms of this Confirmation and the Terms and Conditions. The Confirmation shall be considered as a separate agreement between the parties effective on the date of execution of this Confirmation. Terms used but not defined herein shall have the meanings ascribed to them in the Terms and Conditions.

Quote Date: September 12, 2018

Product Description: Crushed coal, containing no synthetic fuels, and free from any extraneous materials, with no intermediate sizes added or removed and otherwise meeting the Quality Specifications set forth in this Confirmation.

Term (Delivery Period): November 1, 2018 through November 30, 2018, inclusive.

Contract Quantity: Seller shall sell and deliver and Buyer shall buy and accept approximately 17,000 Tons on a firm basis. A shipment shall be defined as one barge ("Shipment").

Contract Price: \$45.00 USD per Ton of coal F.O.B. Barge at the Delivery Point

Delivery Point(s): F.O.B. Barge at Seller's loading facilities located at Pearson Franks Terminal MP 889.5 Ohio River.

Production Source(s): Seller's Eagle River Mine located in Harrisburg, IL.

Destination: Duke Energy Kentucky, Inc.
East Bend Generating Station
KY S.R. 338 7 Rabbit Hash Big Bone Rd.
Union, KY 41091

Station (if other than Destination): Not applicable

Transportation Specifications:

Per the Terms and Conditions Carrier is Crouse Corporation

Payment:

Pursuant to Section 9 of the Terms and Conditions Payments shall be made in United States funds to White Stallion Energy, LLC via EFT transfer to the following account:

Bank Name:	Key Bank National Association
ABA Number:	041001039
Bank Account Name:	White Stallion Energy CC Account
Bank Account Number	[REDACTED]

Invoices shall be sent electronically to:
White Stallion Energy, LLC
250 Cross Pointe
Evansville, IN 47715
Attention: Accounts Receivable Department

Quality Specifications: Each Shipment delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria on an As Received basis (AR), unless otherwise denoted. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as-received basis in accordance with ASTM standards

	<u>Quality Specification</u>	<u>Rejection Limit</u>
BTU:	12,500 Btu/lb	less than 12,000 Btu/lb.
SO ₂ lbs./MMBtu:	6.00 lbs. per Shipment	greater than 6.25 lbs
Moisture:	8.0% maximum per Shipment	greater than 10.0%
Ash:	9.5% maximum per Shipment	greater than 12.0%
Chlorine (dry basis):	1500 ppm maximum	greater than 1800 ppm
Grindability (HGI)	55 minimum	less than 51
Fines (% By Weight Passing 1/4" Screen):	55% maximum	greater than 60%
Volatile Matter:	38% minimum per Shipment	less than 35%
Fusion Temp (H= W F Reducing Atmos):	2000 °F minimum per Shipment no portion can be below	less than 1900 °F
Sizing:	2" x 0"	

SO₂ content per MMBtu shall be determined by the following formula:
[AR Percent Sulfur x 20,000] / AR Btu Per Pound = Pounds SO₂ Per MMBtu

Quality Price

Adjustments: A BTU Quality Price Adjustment shall be calculated for all Shipments delivered during the Term of this Confirmation pursuant to Section 8 of the Terms and Conditions.

Notices:

If to Buyer:

At the address provided above.

If to Seller:

White Stallion Energy, LLC
Steve Hicks
250 Cross Pointe
Evansville, IN 47715
(P) 812.473.0700
Email: steve.hicks@whitestallionenergy.com

No Precedent:

The terms and conditions set forth in this Confirmation are for the purpose of this Confirmation and the Transaction contemplated herein only and will not set or be construed or deemed to set a precedent for any future purchase and sales agreement, if any, that may be entered into between Buyer and Seller.

Other Terms and Conditions.

Seller represents and warrants that, as of the date of this Confirmation, and, to the extent applicable, covenants for the Term of this Transaction that

- (a) Seller presently owns or otherwise controls, and shall continue to own and control, whether directly or through an affiliate, Coal reserves in an amount sufficient to fulfill the terms of this Confirmation, the Coal contained in such reserves is mineable and of the quality called for by this Confirmation and Seller presently has approved governmental mining permits to fulfill the terms of this Confirmation.
- (b) There are no existing contractual commitments with respect to Coal reserves that would prevent delivery of the quantities of Coal specified in this Confirmation and Seller will not enter into contractual commitments during the Term of this Confirmation that will prevent such delivery.
- (c) Seller owns and has in operation, and shall continue to own and operate, whether directly or through an affiliate, mining facilities and equipment sufficient to produce the quantities of Coal to be delivered under this Confirmation and has obtained all necessary governmental and other third party permits, approvals and licenses, and shall continue to retain or take all prudent and timely steps necessary for submission and application for renewal of governmental or third party permits, approvals and licenses, required in connection with the execution, delivery and performance of this Confirmation, and
- (d) Seller, directly or through an affiliate, will at all times conduct its mining operations in a prudent manner consistent with good and acceptable practice in the coal mining industry, and Buyer shall have the right, upon reasonable notice, at its own expense and risk, to have its representatives and/or qualified consultants observe and inspect Seller's facilities and operations, provided that such representatives and/or consultants shall comply with all applicable safety requirements and check-in procedures and shall not interfere with such operations.

This Confirmation shall supersede any broker confirmation concerning this Transaction.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed (including by means of email, facsimile or other electronic exchanged signatures), by their respective duly authorized representatives as of the first date mentioned herein

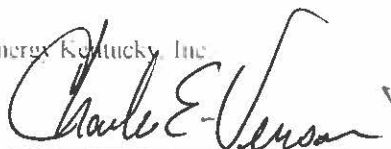
Duke Energy Kentucky, Inc

By:

Name:

Title:

Date:


CHARLES E. VINSON
Manager - Coal Origination
November 1, 2018

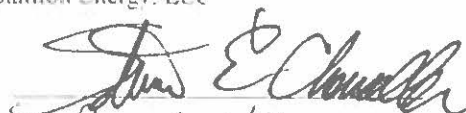
White Stallion Energy, LLC

By:

Name:

Title:

Date:


President/CEO
President/CEO
10-31-18

DUKE ENERGY KENTUCKY, INC.
TERMS AND CONDITIONS OF SALE AND PURCHASE OF COAL

Under these Terms and Conditions of Sale and Purchase of Coal ("Standard Terms"), "Buyer" means Duke Energy Kentucky, Inc., "Seller" means White Stallion Energy, LLC, "Agreement" means the attached Coal Supply Confirmation ("Confirmation") together with these Standard Terms, "Party" means Buyer or Seller, as applicable, and "Ton" means a net ton of 2,000 pounds avoirdupois weight. Any and all additional or different terms and conditions contained in any of Seller's acceptance, invoices, bills or other commercial documents are hereby expressly rejected and will not become part of the Agreement. Capitalized terms used but not otherwise defined in these Standard Terms have the meaning given to them in the Confirmation. In the event of any conflict or inconsistencies between the Confirmation and these Standard Terms, the terms and conditions set forth in the Confirmation will prevail.

1. Warranty. Seller represents and warrants to Buyer that: (a) Seller will deliver directly from Seller to Buyer good, exclusive and marketable title to the coal free and clear of all liens, security interests, claims, and encumbrances; (b) Seller has sufficient reserves and/or access to a sufficient supply of utility steam coal in the quantity and quality required pursuant to this Agreement; (c) title to all coal sold to Buyer will pass directly to Buyer from Seller; (d) the shipments of coal delivered to Buyer will substantially conform with the specifications of this Agreement including the Quality Specifications set forth in the Confirmation and will be substantially free flowing; (e) Seller will deliver the coal such that it is delivered within the schedule set forth in this Agreement or otherwise mutually agreed to by the Parties; and (f) no federal, state, local or foreign statute, law, rule, regulation or order has been or will be violated in the mining, processing, transporting, selling or delivering of the coal. Seller will promptly replace or refund, at Buyer's election, all coal that does not comply fully with this warranty. Each Party represents and warrants to the other that: (i) it is duly organized and validly existing under the law of its place of incorporation or organization; (ii) this Agreement and the transaction contemplated hereby constitutes a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code"); such Party is a "Forward Contract Merchant" within the meaning of the Bankruptcy Code; and such Party is an "Eligible Contract Participant" as defined in Section 1a(18) of the Commodity Exchange Act, as amended; and (iii) such Party is a producer, processor, commercial user or merchant, and it is entering into this Agreement and the transaction contemplated hereby for purposes related to its business as such.

2 Shipping; Risk of Loss. Coal that will be transported by barge as set forth in the Confirmation will be loaded and delivered, as applicable, by Seller into barges at Seller's loading facilities or such other loading facility to which the Parties agree and as specified in the Confirmation, at the loading times established under the agreed upon delivery schedule. Seller is required to be available to load coal at any time, twenty-four (24) hours a day, seven (7) days a week, at Seller's loading facilities. Seller must load barge(s) in accordance with the Carrier Specifications. Seller will be responsible for payment of all charges imposed by Buyer's barge carrier ("Carrier") resulting from Seller's non-compliance with the Carrier Specifications, including but not limited to, demurrage charges incurred at Seller's loading facilities and for any under-loading or over-loading charges incurred plus other reasonable administrative expenses related to such charges. If Buyer is assessed any demurrage or other charges by the Carrier caused by Seller, Buyer will net such charges against outstanding invoices owed to Seller pursuant to Section 9 of these Standard Terms. If there are no remaining outstanding invoices, Seller will pay Buyer by electronic funds transfer in United States funds to the account specified by Buyer. "Carrier Specifications" means the provisions of the applicable Carrier tariff or applicable agreement(s) made by Buyer with the Carrier, as amended from time to time, covering the requirements for each Shipment, including the timing and loading requirements thereunder, which are incorporated herein by reference.

Title to and risk of loss to the coal will pass from Seller to Buyer upon each barge or vessel being fully loaded and trimmed.

3. Weighing; Sampling; and Analysis. Each shipment must be weighed at Seller's expense by certified truck or belt scales or a draft survey performed at the Delivery Point and reported to Buyer. All such draft surveys at the Delivery Point must be conducted by an independent surveyor (certified commercial marine surveyor for vessels) selected by Seller who is experienced in the conduct of draft surveys. If for any reason Seller does not weigh the coal, Seller must promptly notify Buyer and the weights will be determined by a draft survey at Buyer's specified destination. The cost of weighing will be for Seller's account.

Seller at Seller's expense shall cause a sample to be taken of each Shipment of Coal delivered hereunder at the Delivery Point. A third party independent laboratory chosen by Seller and approved by Buyer (the "Independent Lab"), shall be responsible for picking up and taking control of samples of each shipment of coal delivered hereunder at the Delivery Point for the purpose of analyzing the conformance of such coal with the Quality Specifications. Such sampling must be performed in accordance with ASTM D7430 or such other methods as may be mutually agreed upon by the Parties. Prior to air-drying, the samples are to be shipped in airtight containers to the Independent Lab and such laboratory must subdivide each sample into three (3) sample splits, following the standards contained in ASTM D2013. One of the sample splits will be analyzed by the Independent Lab ("Short Proximate Split Sample") at Seller's expense. One of the sample splits will be retained by the Independent Lab for at least sixty (60) days to be sent by the Independent Lab to Buyer upon Buyer's request ("Buyer's Split Sample"). The final sample split will

be retained by the Independent Lab for at least sixty (60) days to be used as a referee sample split ("Referee Split Sample"). If Seller is unable to take a representative sample of a Shipment in accordance with this Section, Seller must promptly notify Buyer and the Parties will mutually agree upon a method to determine the method of analysis for such Shipment. Seller will pay all expenses incurred by the Independent Lab for services provided under the Agreement.

The Independent Lab must analyze the Short Proximate Split Sample in accordance with ASTM standards including without limitation use of ASTM D6721 for all chlorine analysis required under this Agreement. Within 24 hours from the time of loading of each shipment of coal, the Independent Laboratory must test the Short Proximate Split Sample to determine the Btu, ash, moisture and SO₂ content of such coal in accordance with ASTM standards ("Short Proximate Analysis") and provide the results of such analysis to Buyer. In addition, Buyer may, in its sole discretion, provide written notice to Seller (the "Additional Testing Notice") thereby requiring Seller, at Seller's expense, to provide (i) a chlorine analysis for shipments of coal after the date of such notice ("Chlorine Analysis") and/or (ii) an analysis for any other Quality Specification that has a reject limit in the Confirmation and is not included in the Short Proximate Analysis or the Chlorine Analysis (collectively with the Chlorine Analysis referred to as the "Additional Analysis"). Seller will use its best efforts to provide Buyer the Additional Analysis as soon as possible, but in no event later than five (5) business days from the time of loading of each shipment. Seller will email the results of the Short Proximate Analysis and Additional Analysis to FuelsRegConfirmationsSE@duke-energy.com. If a shipment arrives at the Station without Seller or the Independent Lab, as applicable, having performed and provided the results of the Short Proximate Analysis and/or Additional Analysis, as applicable, to Buyer, Buyer will have the right to hold such shipment in detention until the results of such analysis are properly received. Seller will be responsible for any charges incurred by Buyer as a result of Seller's failure to perform (or require the Independent Lab to perform) and provide the results of the Short Proximate Analysis to Buyer within 24 hours from the time of loading the shipment or the Additional Analysis no later than five (5) business days from the time of loading the shipment as provided above. The Short Proximate Analysis will be used for payment purposes and the Short Proximate Analysis and Additional Analysis will be used for determining Buyer's rights to reject a shipment. If Buyer disagrees with Seller's Short Proximate Analysis or Additional Analysis for any shipment of coal, then Buyer will have the right to have a referee analysis performed on the Referee Split Sample by a mutually agreed upon independent testing laboratory. If the analysis results produced from the referee analysis of the Referee Split Sample fall outside the ASTM tolerances for reproducibility of results (when compared against the Short Proximate Analysis), then the referee analysis results will be used to determine Quality Price Adjustments and rejection rights for the shipment of coal, and the cost of the referee analysis will be borne by Seller. If the analysis results produced from the referee analysis fall within the ASTM tolerances for reproducibility of results (when compared against the Short Proximate Analysis), then the Short Proximate Analysis results will be used to determine quality price adjustments and rejection rights for the shipment of coal, and the cost of the referee analysis will be borne by Buyer.

4. Inspection; Acceptance/Rejection. Upon reasonable notice to Seller, Buyer will have the right to inspect Seller's mines, preparation and loading facilities, at Buyer's sole expense, during mining and preparation of any coal subject to this Agreement and to inspect all quality assurance and other records relating to the coal. In addition, Buyer will have the right to inspect all coal at Buyer's facility before accepting it.

Buyer shall have one (1) business day after Buyer receives notice that any shipment is above or below, as applicable, any one or more of the Rejection Limit(s) applicable to such coal or Buyer otherwise discovers a defect in the coal or other nonconformity to Quality Specifications to reject or to revoke acceptance of the coal, in any event prior to unloading the coal. If Buyer timely rejects a non-conforming shipment of coal, Seller will be responsible for promptly transporting the rejected coal to a mutually agreed alternative destination and will reimburse Buyer for all reasonable out-of-pocket costs and expenses incurred by Buyer associated with the transportation, storage, handling, removal, demurrage fees and any re-consignment fees assessed by the Carrier of the non-conforming shipment. Seller will, at Buyer's option, replace the rejected coal as soon as possible, provided that Buyer gives notice to Seller of Buyer's desire for replacement coal within five (5) days after rejection of the non-conforming shipment.

5. Termination; Cancellation. In the event that the; (a) coal shipped pursuant to the Agreement is above or below, as applicable, any one or more of the Rejection Limits set forth in the Quality Specifications or (b) Seller otherwise fails to perform as required by the Agreement, Buyer will have the right to; (i) reject or revoke acceptance of such delivery prior to unloading; (ii) suspend further deliveries; (iii) terminate or cancel all or a portion of further deliveries upon ten (10) days advance written notice; or (iv) require Seller to deliver replacement coal from the Source specified in the Confirmation; or (v) terminate the Agreement, in which Seller's right to make and Buyer's obligation to receive further deliveries terminates immediately upon receipt of such notice of termination from Buyer. If Buyer terminates or cancels all or a portion of the Agreement as set forth herein, unless the Agreement expressly provides otherwise, Buyer will only pay Seller for the quantity of acceptable coal actually received and accepted (and not rejected or revoked) by Buyer prior to the effective date of such termination, plus or minus any applicable Quality Price Adjustment(s), if any, as set forth in the Confirmation and Section 8 of these Standard Terms. If the sum of Buyer's prior payments and deposits under this Agreement exceed the cancellation and delay charges and other amounts due under this Agreement, Seller shall promptly refund the balance to Buyer.

6. Contract Price. The Contract Price is specified in the Confirmation and is inclusive of Seller's costs to mine, process, transport, load and deliver the coal to Buyer at the specified Delivery Point (including all harbor, fleeting, moving, switching, trimming and related expenses) and to provide Seller's weights and analysis and shipping notices as required pursuant to this Agreement, including, without limitation all federal, state, and local taxes, fees, all other preparations and activities or levies, which are required to be paid on coal, delivered hereunder. The Contract Price will be fixed and firm and not subject to adjustment during the term of the Confirmation except for applicable Quality Price Adjustment(s), if any.

7. Insurance Seller shall maintain, or cause to be procured and maintained, Statutory Longshore and Harbor Workers' Compensation Act Insurance or Statutory State Workers' Compensation Insurance or Jones Act (Maritime Employers Liability), whichever is applicable, covering Seller's responsibilities with respect to all workers at the docks and fleets at all Delivery Points utilized by Seller, and Comprehensive Marine Liability insurance (in any combination of primary and excess coverage), including but not limited to Protection and Indemnity Liability, Jones Act (Maritime Employers Liability), Pollution Liability, Full Collision Liability, Marine Operators Liability, Marine Contractual Liability, Wharfinger Liability, Towers' Liability, Hull and Cargo Legal Liability and Cost of Removal of Wreck and Cargo (including voluntary or statutory), where applicable, covering the docks and fleets at all Delivery Points utilized by Seller in an amount not less than \$5,000,000 per occurrence.

8. Quality Price Adjustment. If coal delivered hereunder varies from the Quality Specifications for Btu set forth in the Confirmation, but does not exceed or is not less than, as the case may be, the Rejection Limits for Btu set forth in the Confirmation, coal Quality Price Adjustments pursuant to this Section 8 will be made increasing or decreasing the Contract Price of the coal to compensate for variations in the "As Received" monthly weighted average Btu content of such coal from the Btu content set forth in the Quality Specifications. Quality Price Adjustments will be made to the nearest \$0.0001.

$$(\text{"As Received" Monthly Weighted Average Actual BTU content per Ton delivered} / \text{Specification BTU per Ton}) \times \text{Contract Price} - \text{Contract Price} = \text{BTU Contract Price adjustment per Ton of Coal}$$

9. Payment. Buyer shall self-invoice and pay Seller the Contract Price, as may be adjusted pursuant to this Agreement, for the coal purchased hereunder, as follows:

(a) for Shipments loaded during each calendar week (Sunday through Saturday), Buyer shall remit payment of the Contract Price for such coal to Seller by Thursday of the calendar week immediately following the calendar week in which such Coal was loaded. If such payment falls on a day that is not a Business Day then payment will be due on the immediately next available business day;

(b) if applicable, Quality Price Adjustments associated with coal Shipments, calculated as set forth in this Agreement and/or the Confirmation, shall be paid or netted, as the case may be, by Buyer along with payments for coal described in Sections 9.(a) and 9(b) above on or before the thirtieth day of the month following the month in which the coal was shipped.

Buyer or Seller, if applicable, will pay, by electronic funds transfer in United States funds, the amount due Seller or Buyer as the case may be. Final payments for coal and Quality Price Adjustments will be made to the nearest \$0.0001. No claims regarding payments, incorrect invoices, or Quality Price Adjustments may be made after ninety (90) days of the date of the applicable payment or invoice giving rise to the claim unless a Party has been notified of a claim with respect to such payments, invoices or adjustments within such time period.

If Buyer and Seller are required to pay any amounts on the same day or in the same month under any one or more transactions or agreements between the Parties, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount may pay to the other Party the difference between the amounts owed. The obligations to make payments under any this Agreement and/or any other agreement or transaction between the Parties may be offset against each other, set off or recouped therefrom.

10. Indemnification. Seller will defend, indemnify and hold harmless Buyer and its subsidiaries, affiliates, directors, officers and employees from and against all claims, demands, losses, damages, liabilities, obligations, and attorneys' and other professionals' fees and expenses to the extent arising out of or relating to: (a) any breach of warranty by Seller; and (b) any act or omission of Seller or its employees, contractors and agents in the performance of Seller's obligations under this Agreement. Buyer will give Seller reasonable notice of any claim Buyer contends falls within this indemnification.

Buyer will defend, indemnify and hold harmless Seller and its subsidiaries, affiliates, directors, officers and employees from and against all claims, demands, losses, damages, liabilities, obligations, and attorneys' and other professionals' fees and expenses to the extent arising out of or relating to: (a) any breach of warranty by Buyer; and (b) any act or omission of Buyer or its employees, contractors and agents in the performance of Buyer's obligations under this Agreement. Seller will give Buyer reasonable notice of any claim Seller contends falls within this indemnification.

11. **Force Majeure.** When used herein "Force Majeure" means a cause beyond the reasonable control of and not due to the fault or negligence of Buyer or Seller, as the case may be, which wholly or partially prevents or delays, mining, processing or loading of coal, or the receiving, transporting, or delivery of coal, or the unloading, storing, or burning of coal at Buyer's Station (including with limitation due to unplanned outages of equipment or facilities and conditions which render the intended use of the coal impossible, impractical or unfeasible). A change in market conditions (including the ability of Seller to sell coal at a higher price or Buyer to buy coal at a lower price), Buyer's inability to economically resell the coal, whether or not foreseeable will not be considered Force Majeure events. Performance of this Agreement will be suspended and excused to the extent commensurate with such interfering occurrence. The affected Party will make commercially reasonable efforts to eliminate the cause of such Force Majeure and will keep the other Party informed as to the continuance of the Force Majeure. If Seller or Buyer is forced to suspend shipments/performance, in whole or in part, due to Force Majeure, once such Force Majeure event ends, shipments excused by events of Force Majeure will not be made up except by mutual agreement of Buyer and Seller on a mutually agreed schedule.

12. **Confidentiality.** Seller and Buyer will keep confidential and not disclose to any person or entity other than counsel or as necessary to comply with this Agreement any information that the other party designates as being confidential except to the extent required by law. Notwithstanding the foregoing, Buyer may, without notification to or the consent of Seller, disclose the terms and conditions of this Agreement in connection with any administrative or regulatory approval or filing process or other requirement in connection with the conduct of its business.

Seller must not use Buyer's name or the fact that Seller is selling coal to Buyer in any press releases, media statements or public communications or otherwise publicize this Agreement without Buyer's prior written consent. Seller must not use Duke Energy Corporation's (including its subsidiaries and affiliates) name, logos, trademarks, service marks, trade names or trade secrets in any way without Buyer's prior written consent, and Buyer will not be deemed to have granted Seller a license of, or granted Seller any rights in, any of the foregoing by entering into this Agreement.

13. **Compliance with Laws.** Unless Seller or Buyer is exempted by the rules, regulations or orders of the United States Secretary of Labor, both parties shall comply fully at all times relevant to this Agreement with all applicable laws, rules, regulations and court orders, including: (a) Executive Order 11246 issued by the President of the United States on September 24, 1965; (b) the Vietnam Era Veterans Readjustment Assistance Act of 1974 and applicable sections of 41 CFR relating to the employment of veterans; (c) section 503 of the Rehabilitation Act of 1973; (d) regulations of the United States Occupational Safety and Health Act; (e) 15 U.S.C section 637(d)(3) and 48 CFR section 52.219 relating to small and disadvantaged business concerns; (f) all applicable rules, regulations and orders issued by the United States Secretary of Labor under any of the foregoing; and (g) all amendments of the foregoing that may be made from time to time.

14. **No Assignment.** This Agreement and the rights and obligations hereunder shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Neither Party may assign any of its rights, obligations or interest herein without the prior written consent of the other Party, which consent will not be unreasonably withheld.

15. **Independent Contractor.** Seller is an independent contractor for all purposes, and in no event shall Seller be deemed to be an agent, partner or joint venturer of the Buyer.

16. **Dodd-Frank.** Buyer represents and warrants that (a) it is a regulated electric load serving utility with an obligation to provide electric service to its customers and is entering into this Agreement to secure a source of physical supply of coal to operate its electric generating units to meet such load service obligations, and (b) the embedded volumetric optionality (if any) is primarily intended to address physical factors or regulatory requirements that reasonably influence demand for coal.

17. **Remedies.** The remedies in this Agreement are cumulative and in addition to all rights and remedies at law and in equity. The parties may exercise their rights and remedies in any order or combination they choose. No delay in exercising or failure to exercise a right or remedy will impair that or any other right or remedy or be construed as a waiver of any default.

18. **Notices.** All notices, consents, invoices and other communications required or permitted to be made pursuant to this Agreement must be made in writing and sent by under this Agreement shall be sent by (a) registered or certified mail, postage prepaid and return receipt requested, (ii) reputable overnight courier, or (c) email, and promptly confirmed in writing as set forth in (a) or (b) above, and properly addressed to the address for such Party set forth in the Confirmation.

19. **Entire Agreement; Non-Waiver.** The terms and conditions of this Agreement are intended by Buyer and Seller to constitute a final, complete and exclusive statement of their agreement with respect to the subject matter hereof and all prior proposals, communications, negotiations, understandings and representations, whether oral or written, relating to the subject matter hereof are hereby superseded. This Agreement may only be modified by a written agreement, signed by both parties, expressly modifying this Agreement. Waiver by either Party of any default of the other Party hereunder shall not be deemed a waiver of any other default. Either Party may at any time insist upon strict compliance with these terms and conditions notwithstanding any previous custom, practice, or course of dealing to the contrary.

20. **Liability Limitation.** EXCEPT FOR THE OBLIGATIONS OF INDEMNITY SET FORTH IN SECTION 10 OF THESE STANDARD TERMS, EACH PARTY'S LIABILITY HEREUNDER, IF ANY, IS EXPRESSLY LIMITED TO DIRECT ACTUAL DAMAGES ONLY. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY HEREUNDER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS, OR BUSINESS INTERRUPTION DAMAGES, WHETHER BY STATUTE, IN TORT OR IN CONTRACT, UNDER THIS AGREEMENT AND REGARDLESS OF THE LEGAL THEORY UNDER WHICH THE SAME MAY OTHERWISE ARISE OR BE ASSERTED, EXCEPT TO THE EXTENT OF A THIRD PARTY CLAIM WITH RESPECT TO WHICH A PARTY IS INDEMNIFIED HEREUNDER ARE DEEMED TO CONSTITUTE SUCH DAMAGES.

21. **Governing Law.** This Agreement and the right, duties, remedies and obligations of the Parties arising hereunder will be governed and interpreted by and construed and enforced in accordance with the laws of the State of North Carolina without giving effect to any of such state's conflict of laws provisions. The Uniform Commercial Code of the State of North Carolina ("UCC") will be applicable to the extent not inconsistent or in conflict with the provisions of this Agreement and the Parties acknowledge and agree that the coal will be deemed to be a "good" for purposes of the UCC.

Agreed To By:

Duke Energy Kentucky, Inc.

By: Charles E. Jensen

Title: Manager - Coal Origination

Date: November 1, 2018

White Stallion Energy, LLC.

By: Steve E. Chubb

Title: President / CEO

Date: 10-31-18