



**EAST KENTUCKY POWER COOPERATIVE
FUEL DEPARTMENT**

PURCHASE ORDER
NO. 51644

This number must appear on all
invoices, shipping documents,
and correspondence.

To: Alliance Coal, LLC (“Alliance” or “Seller”) Suite 400 1717 South Boulder Avenue Tulsa, OK 74119		Purchaser: East Kentucky Power Cooperative, Inc. (“EKPC” or “Buyer”) Inquiries to: Attention: Wes Kidd P. O. Box 707 Winchester, Kentucky 40392-0707	
Vendor No. 8158 Must Appear On All Correspondence		Phone #: (270) 389-6700 Permit #: 93-515	
Deliver To: East Kentucky Power Cooperative, Inc. Spurlock Power Station Route 8 Maysville, Kentucky 41056 (the “Station”)		MSHA #: 15-19374 Severance Tax #: 5450000000 Mine Name/Type: River View Mine (Underground) County/State: Union/KY Producer/Broker: Producer	
Purchase Order Date August 3, 2022	Terms See Below and Attached Terms and Conditions	F. O. B. Barge	Delivery Ingram Barge Company

This purchase order (the “Purchase Order”) binds Seller to sell and ship the following coal to Spurlock Power Station Unit Nos. 1 and 2, Charleston Bottoms, Kentucky, under the following terms and conditions:

Term: Deliveries shall commence on January 1, 2023, and continue through December 31, 2023, SUBJECT HOWEVER, to the rights of EKPC set forth herein.

Quantity: Total of 426,000 tons (2,000 pounds per ton), at a rate of 67,000 tons for January, February, and March, and at a rate of 25,000 tons per month for April through December. Failure to deliver approximate tonnage called for above, not counting rejected tonnage, shall permit Buyer to either (1) cover damages or (2) recover the difference between the price called for herein and market price, at Buyer’s discretion. Buyer shall have no obligation to purchase more than the tonnage called for above. Failure to accept approximate tonnage called for above shall permit Seller to either (1) cover damages or (2) the difference between the market price and the price called for herein, at Seller’s discretion. Seller shall have no obligation to deliver more than the tonnage called for above.

Size: The coal shall be run of mine crushed to a maximum of 2" lumps with no intermediate sizes removed and be clean and free of impurities. All of said coal shall not contain more than forty percent (40%) fines, one-fourth inch and smaller.

Source: Seller’s affiliate River View Mine, Kentucky #9 and #11 coal seams, located near Waverly in Union County, Kentucky –or- Seller’s affiliate Tunnel Ridge Mine, Pittsburg 8 Seam coal, located near Triadelphia in Ohio County, West Virginia.

Not Subject to Kentucky Sales or Use Tax.

"The Equal Employment Opportunity Clause at 41 CFR 60-1.4 (a) and the Affirmative Action Clauses at 41 CFR 60-250.5 and 60-741.5 are hereby incorporated by reference and made a part of this purchase order as though fully set forth herein."

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Quality:

Coal sold hereunder shall conform to the following specifications on an “as received” basis:

Specifications on an “as received” basis:	Monthly Weighted Average Typical Quality Specifications	Monthly Weighted Average Suspension Criteria	Individual Barge Shipment Rejection Criteria
Btu/lb.	11,450 min.	<11,300	<11,000
% Ash	9.50% max.	>10.00%	>10.50%
% Moisture	13.00% max.	>13.50%	>14.50%
Lbs. SO ₂ /MMBtu (20,000)	5.20 max.	>5.50	>5.60
Grind (HGI)	53 min.	<50	n/a
% Volatile Matter	35.00% min.	<32.00%	n/a
% Chlorine (Cl)	0.12% max.	>.135%	>.15%
% Nitrogen	1.35% max	>1.50 %	n/a
% Fixed Carbon	43.00% min	<40.00%	<38.00%
Base Acid Ratio (B/A)	0.45 max	>0.55	>0.60
Slagging Factor	1.60 max	>1.75	>2.00
Fouling Factor	0.45 max	>0.60	>0.70
Size	2” x 0” max.		
% Fines -passing a 1/4” screen	55.00% max.	> 60.00%	> 65.00%
AFT (REDUCING ATMOSPHERE) (ASTM D1857)			
Initial Deformation	1990 min.	Min. 1950	Min. 1900
Softening (H=W)	2030 min.	Min. 2000	Min. 1950
Hemispherical (H=1/2 W)	2080 min.	Min. 2030	Min. 1980
Fluid	2130 min.	Min. 2080	Min. 2030

Note: As used herein > means greater than and < means less than.

Delivery: All shipments shall be loaded in Ingram Barge Company (“Ingram”) barges at River View Dock on the Ohio River at Milepost 842.9 (the “Delivery Point”). Title to, and risk of loss, for coal delivered hereunder shall remain with Seller and shall pass to Buyer upon the delivery of such coal at the Delivery Point. Buyer is not obligated to pay for any coal not delivered to the Delivery Point. In the event that the parties mutually agree to modify the Delivery Point, any resulting increases or decreases in the cost of transporting the coal to the destination designated by Buyer shall reduce or increase the Base Price accordingly.

Each barge shall be loaded to a minimum of 1,550 tons, except to the extent lesser tonnage is mandated by regulatory authority, and released to Ingram for direct shipment to Spurlock Power Station no later than 48 hours after the empty barge is placed at the dock. Any charges incurred by Buyer as a result of lightweight barges or loading delays will be deducted from the billing price of

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the coal. Buyer shall be responsible for arranging all transportation contracts and for providing and coordinating with Seller the arrival barges for loading at the Delivery Point.

If barges are not made available by Buyer on the scheduled monthly delivery dates, and, as the result thereof, the quantity of coal delivered by Seller during any month is less than the scheduled monthly quantity, the parties shall mutually agree to a schedule that addresses and resolves the monthly delivery shortage resulting from the unavailable barges.

Weighing and Testing: SGS Mineral Services, located in Henderson, KY ("SGS") must perform the following on behalf of the parties for each barge to be loaded out of River View and Miltech Lab shall perform the same for each barge to be loaded out of Tunnel Ridge: Preloading barge inspections, observation of loading, and sampling and analysis of the coal as provided in the Section labeled "Sampling and Analysis". Seller must contact lab prior to loading of the barge in ample time for lab's representative to be present to administer said duties. Seller agrees to permit lab's representatives on their premises to perform these responsibilities. Certified belt scale weights shall be used at the Delivery Point, or in the absence of certified belt scales, by barge draft survey, with cost of weighing at Seller's expense.

Acceptance: The required acceptance of coal received by Buyer is subject to the coal's conformity with the quality requirements as determined in accordance with the Sampling procedures set forth herein and with Seller's compliance with the other terms of this Purchase Order. Buyer reserves the right, in its sole discretion, to reject (1) any barge of coal that does not meet the rejection limits described in the section labeled "Quality" above, (2) any portion on a bargeload basis if, upon visual inspection, it is apparent that a barge contains debris or any foreign materials not normally contained in a coal shipment, or (3) any barge that contains "hot" coal or any coal that may cause problems in unloading and handling, including, but not limited to any barge that does not meet the requirements hereof described in the Section labeled "Size" above. Upon receipt of written notice of rejection detailing the basis of the rejection pursuant to any of the above, Seller shall cause such shipment to be removed from Buyer's premises as soon as reasonable practicable at Seller's expense. Aside from the Quality specifications required under this Purchase Order, SELLER MAKES NO WARRANTY, EXPRESSED OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS OF ANY PARTICULAR PURPOSE OF THE COAL TO BE SUPPLIED UNDER THIS AGREEMENT OR AS TO THE RESULTS FROM THE USE THEREOF.

Sampling and Analysis: All of said coal shall be on an "as received" basis, and it shall be computed and determined on a weighted monthly average of the analyses for pricing adjustments, but on a per barge basis to determine rejection rights. Sampling, preparation, and analysis shall be done by MilTech Analytical Services, Inc at SELLER's expense. All analysis for purposes of rejection shall be on a per barge basis.

Price: The Seller has guaranteed a heat content of 11,450 Btu/lb.; therefore, the billing price of all said coal, F.O.B. barge, shall be Five Hundred Eighty-Nine and Fifty-Two Hundredths Cents (589.52 cents) per million Btu. The Billing Price above is inclusive of harbor switching and fleeting charges which shall be the responsibility of Seller.

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Price Adjustments: Coal received and utilized, instead of rejected as per Buyer's right, which does not meet the specifications set forth above in the section labeled "Quality," will be paid for by Buyer SUBJECT to the price adjustments set forth below:

Ash Content: The following price adjustments will be deducted from the billing price for coal that exceeds the Guaranteed Monthly Weighted Average ash specification of this Purchase Order. The price adjustments will be Forty Cents (\$.40) per ton per one percent (1%) between the specification and fifteen percent (15%), and an additional Eighty Cents (\$.80) per ton per one percent (1%) over fifteen percent (15%).

Sulfur Content: For each one-tenth percent (0.1%) sulfur content that exceeds the Guaranteed Monthly Weighted Average sulfur dioxide #SO₂ specification of this purchase order, Thirty Cents (\$.30) per ton will be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such one tenth (0.1%) excess in sulfur content.

Heat Content: All coal delivered by Seller shall be adjusted on a cents per million Btu basis based upon the monthly weighted average actual Btu/lb content of coal delivered. If the Btu content is below 11,000 Btu/lb., an additional Twenty-Five Cents (\$.25) per ton per 100 Btu/lb. will be deducted from the billing price. A pro rata adjustment shall be made for any variance representing a fractional portion of 100 Btu/lb. in heat content.

The quality price adjustments and the remedies provided to Buyer set forth above shall be Buyer's sole and exclusive remedies for having received coal which does not meet the Monthly Weighted Average quality specifications specified in this Agreement. A waiver by Buyer of any of rights with respect to any coal shipment or for any period shall not constitute a waiver of such right for any subsequent shipments or periods. The above mentioned price adjustments for rejectable coal, but which is received and utilized by Buyer, shall in no way limit or restrict Buyer's right to reject any and all coal that does not meet the reject specifications set forth under "**Quality**" above, as determined by the daily individual analysis for all bargeload deliveries for such day. The receipt and use of such non-conforming coal in no way limits or restricts Buyer's right to reject future nonconforming shipments.

Payment: Payment Point is Buyer's stockpile at the station. EKPC will make payment in full by the 23rd of the month following the calendar month of deliveries. If date on which a payment is due is a weekend day, holiday, or other day banks are closed for business, then such payment shall be due on the next day on which banks are open for business. Interest will be charged on past due accounts and other amounts payable under this Agreement at the rate per annum equal to two percent (2%) plus the prime rate published in the Wall Street Journal, under Money Rates, on the date payment is due. All payments shall be made by Automated Clearing House ("ACH") transfer to the following account:

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Additional Terms and Conditions: The terms and conditions set forth in the Existing Agreement between the parties are incorporated herein by reference, are an integral part of this Purchase Order and are binding provisions hereof. In the event of a conflict between the terms of the Existing Agreement and the terms of this Purchase Order, the terms of this Purchase Order shall prevail.

East Kentucky Power Cooperative, Inc.

By: *Anthony S. Campbell*
Anthony S. Campbell
President & CEO

Alliance Coal, LLC "SELLER"

Accepted By: *Timothy J. Whelan*
Duly Authorized Signatory
Title: SVP - Sales & Marketing

TERMS AND CONDITIONS
TO
PURCHASE ORDER 51644

The following terms and conditions are incorporated by reference into Purchase Order #51644 (the "Purchase Order").

Force Majeure: It is specifically understood and agreed that the obligations of both parties under this Purchase Order are subject to events of Force Majeure, as defined below. If a valid event of Force Majeure occurs, affected party shall be excused from performance of its obligations to the extent made necessary by and during the continuance of such Force Majeure, subject to prompt delivery of written notice of such event of Force Majeure (including a detailed description of the Force Majeure, expected time period of the Force Majeure, and impact of the Force Majeure) to the other party, provided, however, that the disabling effects of such force majeure shall be eliminated by such claiming party as soon as, and to the extent practicable, by use of its best efforts. During any period when Seller asserts a Force Majeure condition and said condition results in a reduction of coal deliveries, Seller shall prorate deliveries of coal among its purchasers of coal of similar quality based on contractual commitments under written agreements in effect at the time of the event of Force Majeure obligating Seller to sell coal to such purchaser. In such event, Seller shall advise Buyer of contract shipments to each such purchaser for the preceding six months in order that the size of the reduced deliveries can be established. Seller shall not enter into any new contracts for the sale of similar quality coal to that purchased by Buyer hereunder while Buyer is receiving prorated deliveries unless such new contract provides that deliveries shall only be made after the event of Force Majeure is lifted. During any period when Buyer asserts a Force Majeure condition and said condition results in a reduction of coal deliveries, Buyer shall prorate deliveries of coal among its sellers of coal of similar quality based on contractual commitments under written agreements in effect at the time of the event of Force Majeure obligating Buyer to purchase coal from such producer. In such event, Buyer shall advise Seller of contract purchases from each such producer for the preceding six months in order that the size of the reduced deliveries can be established. Buyer shall not enter into any new contracts for the purchase of similar quality coal to that purchased by Buyer hereunder while Seller is making prorated deliveries unless such new contract provides that deliveries shall only be made after the event of Force Majeure is lifted. The suspension of obligations caused by a valid event of Force Majeure shall exist only for such time as said occurrence is in effect, and after said occurrence has ended or been resolved, both parties shall be fully bound to perform under the terms of this Purchase Order for the duration of this Purchase Order, except that any deficiencies in the production by Seller, receipt by Buyer or sale of coal hereunder caused by Force Majeure will only be made up at the discretion of the non-declaring party and the term of this Purchase Order shall not be extended by Force Majeure unless the non-declaring party agrees. No other acts or events shall excuse either party from full performance of this Purchase Order except as may be stated under the other terms of this Purchase Order.

"Force Majeure" as used herein shall mean a cause beyond the reasonable control of Seller or Buyer, as the case may be, whether foreseen or unforeseen, which wholly or materially prevents the mining, loading, or delivery of coal meeting the specifications under this Purchase Order, or receiving, transporting or delivery of same, or the unloading, storing, or burning of coal by Buyer at its destination and which the party claiming Force Majeure could not have prevented with the exercise of reasonable prudence. Examples (without limitation) of Force Majeure, but only if beyond the control of Seller or Buyer, as the case may be, are the following:

Acts of God; acts of the public enemy; insurrections; riots, strikes; labor disputes; shortage of labor or supplies; fires, explosions; floods; roof falls, rib rolls, mine collapses or other mine disasters; breakdowns of or damage to plants, mine equipment or facilities; interruptions to or contingencies of transportation; embargoes; orders or acts of civil or military authority; or acts of terrorism.

Notwithstanding the foregoing, Force Majeure, for purposes of this Purchase Order, shall not include (i) the development or existence of economic conditions that may adversely affect Buyer's utilization of coal or Seller's delivery or sale of coal, (ii) acts or omissions of Seller or Buyer constituting negligence, or mismanagement on the part of Seller or Buyer, (iii) the inability of Seller to mine coal from its controlled reserves meeting the specifications hereof, unless such inability is caused by an example of Force Majeure specifically listed above or (iv) causes or events affecting the performance of third-party sellers of goods or services except to the extent caused by an event that otherwise is a Force Majeure event.

In the event a Force Majeure is declared and halts seventy-five percent (75%) or more of the scheduled deliveries hereunder, and the Force Majeure continues unabated for a period of three (3) months or more, then the unaffected party may, at its option, terminate the remaining deliveries under this Purchase Order by thirty (30) days' prior written notice to the party asserting such Force Majeure without liability to either party.

To the extent possible, Buyer and Seller shall utilize good faith efforts to minimize the adverse effects of a Force Majeure. Nothing in the preceding sentence shall, however, obligate Buyer to find additional markets for Seller's coal or obligate Seller to find substitute coal sources for Buyer. The impact of any Force Majeure event claimed by Buyer or Seller shall not be negated or enhanced should Buyer or Seller elect to perform ancillary work activities, such as, but not limited to, repairs, maintenance or construction activity coincidental with any Force Majeure event.

The parties agree that 2-615 of the Uniform Commercial Code, as enacted, is not applicable to this Purchase Order, with the express terms of the Purchase Order instead governing.

Amendment; Waiver: No amendment to this Purchase Order shall be enforceable unless in writing and signed by the party against whom enforcement is sought. No waiver or failure to insist upon strict compliance with any obligation, covenant, agreement, or condition of this Purchase Order shall operate as a waiver of, or an estoppel with respect to, any subsequent or other failure, regardless of any provision of the Uniform Commercial Code, as enacted, to the contrary. It is further understood and agreed that Buyer does not waive its rights under this Purchase Order by receiving any shipments of coal, and acceptance thereof shall not be implied unless Buyer fails to give Seller prompt notice of any breaches or defaults within a reasonable time after each sampling period has ended and the coal analysis has been completed.

Compliance with Laws: Each party shall perform its obligations hereunder in accordance with all applicable Federal, state, county and municipal laws, regulations codes and ordinances, including, but not limited to, those applicable to mining, consumption, and transportation of coal. Transportation of coal by any third party transporting coal on a party's behalf shall comply with applicable highway laws and regulations governing the weight of vehicles and all other highway laws promoting public safety, health, and welfare, including all laws governing the operation of vehicles on any road or highway.

Damage to Equipment: If Buyer determines, in good faith, that any foreign matter in the coal delivered by Seller causes damage to electrical production, operating, receiving, or handling equipment, the parties shall meet to mutually investigate the extent of the damage and to attempt in good faith to resolve the matter. Buyer shall document the damage due to the foreign matter. If it is determined by an independent third party that foreign matter in the coal is responsible for any of the damage, then the costs and expenses arising out of such damage shall be paid by Seller to Buyer.

Indemnity and Insurance: Seller agrees to defend and indemnify Buyer, its directors, officers, employees, and agents, from any and all damage, loss, claim, demand, suit, liability, penalty, or forfeiture of every kind and nature—including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment, therefore, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of, or other adverse effects on the environment, or (d) violations of governmental laws, regulations, or orders or breaches of this Purchase Order—whether suffered directly by Buyer itself or indirectly by reason of claims, demands, or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Seller, its employees, agents, subcontractors, or other representatives or from their presence on the premises of Buyer or otherwise from performance of this Purchase Order.

Buyer agrees to defend and indemnify Seller, its directors, officers, employees, and agents, from any and all damage, loss, claim, demand, suit, liability, penalty, or forfeiture of every kind and nature including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment, therefore, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of, or other adverse effects on the environment, or (d) violations of governmental laws, regulations, or orders or breaches of this Purchase Order—whether suffered directly by Seller itself or indirectly by reason of claims, demands, or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Buyer, its employees, agents, subcontractors, or other representatives or from their presence on the premises of Seller or otherwise from performance of this Purchase Order.

Seller shall provide and maintain, and shall require any and all subcontractors to provide and maintain, with an insurance company authorized to do business in the Commonwealth of Kentucky and otherwise acceptable to Buyer the following insurance with proof of such coverage, if applicable, to be provided to Buyer within two (2) days of the date first set forth above: **[Do we need wharfinger's insurance requirements because barge loading involved?]**

Workers Compensation and Employer's Liability Policy: Seller shall submit evidence of Seller's Workers' Compensation and Employer's Liability Insurance Policy, and each such policy shall include:

1. Workers' Compensation (statutory benefits coverage) Insurance accordance with the laws of the State of West Virginia.
2. Employer's Liability with a minimum limit of One Million Dollars (\$1,000,000) with respect to Bodily Injury Each Accident/(\$1,000,000), Bodily Injury by Disease Each Employee/(\$1,000,000), and Bodily Injury by Disease Policy Limit.

Commercial General Liability Policy: Seller shall provide evidence of Seller's policy providing Commercial General Liability Insurance, with combined single minimum limit for bodily injury and property damage of One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) General Aggregate, and the following coverage:

1. Coverage for premises and operations, including work let or sublet.

2. No exclusion of coverage for Blanket Contractual Liability to the extent covered by the policy against liability assumed by Seller under this Contract.
3. No exclusion for Broad Form Property Damage hazard.
4. Said policy shall name Buyer as an Additional Insured, with Seller's policy deemed to be primary.
5. Said policy shall be endorsed to provide that the underwriter(s) have waived their Rights of Recovery Against Others (subrogation) against Buyer and Buyer's insurance carrier(s).
6. Should policy contain a deductible clause for bodily injury or property damage liability, said deductible shall be shown on a Certificate of Insurance delivered to Buyer, and Seller's carrier shall agree to pay any such claims "first dollar" and then recover the deductible amount from Seller.

Commercial Automobile Liability Insurance Policy: Seller shall provide evidence of Seller's Commercial Automobile Liability Insurance covering the use of all owned, non owned, and hired vehicles, with a minimum combined single limit for bodily injury and property damage of Two Million Dollars (\$2,000,000) each accident with respect to Seller's vehicles assigned to or used in performance of work under this Purchase Order. Said policy shall name Buyer as an Additional Insured with said policy designated to be primary. Said policy shall include an endorsement providing that the underwriter(s) have waived their Rights of Recovery Against Others (subrogation) against Buyer and Buyer's insurance carrier(s). Should policy contain a deductible clause for bodily injury or property damage liability, said deductible shall be shown on the Certificate of Insurance, and Seller's carrier shall agree to pay any such claims "first dollar" and then recover the deductible amount from Seller.

Umbrella/Excess Liability Insurance: Employer Liability, Commercial General Liability, and Commercial Automobile Liability,. SELLER shall provide a minimum Three Million Dollars (\$3,000,000) Each Occurrence and, Three Million Dollars (\$3,000,000) in Aggregate umbrella/excess liability insurance. Said policy shall be "follow-form" to the extent of coverage in provisions in the primary forms Employer Liability, Commercial General Liability, and Commercial Automobile Liability, with regards to coverage terms and policy provisions. Said coverage must continue in force for a minimum of two (2) years from the date of expiration or termination of this Purchase Order.

The above policies to be provided by Seller shall be written by companies satisfactory to Buyer or having a Best Rating of not less than A—"Excellent"). These policies shall not be materially changed or cancelled except with a thirty (30) day written notice to Buyer from the Seller and the Insurance Carrier. Evidence of coverage, notification of cancellation, or other changes shall be mailed to:

East Kentucky Power Cooperative, Inc.
ATTN: Fuel and Emissions Department
P. O. Box 707
Winchester, KY 40392-0707

Minimum limits and coverage required under this Section should not be construed to necessarily be adequate for Seller's own insurance and risk management needs. Buyer reserves the right to request and receive a summary of coverage of any of the above policies or endorsements. Seller's failure to provide the insurance required above shall permit Buyer to suspend shipments under this Purchase Order until such breach is remedied and to pursue all other remedies permitted by the Uniform Commercial Code.

Maintenance Outages: Notwithstanding any other provisions of this Purchase Order, and in order to accommodate Buyer's plant and/or coal handling maintenance outages, Buyer may, at its sole option, up to two times each calendar year, reschedule up to one month's tonnage provided prior written notice is given at least thirty (30) days' in advance and any such rescheduled deliveries are made up within six months of the end of such month.

Changes in Legislation: It is fully contemplated by both parties that BUYER is purchasing said coal for the primary purpose of using it as fuel for the generation and production of electrical power under governmental standards and regulations in effect as of the date first set forth above, and it is understood and agreed that in the event that PJM or any legislative, regulatory, administrative, judicial, or other governmental body (including FERC) imposes, enacts, invalidates, or amends any federal, state, or local law, or any regulation, tariff, order, rule, tax, court ruling, or standard, either generally or with respect to the specific plant or generating unit for which coal shipped under this Contract is intended, that would prohibit or make commercially unreasonable BUYER'S purchase or use in its Plant of the grade or quality of coal hereinbefore specified for such purpose, or make it necessary for BUYER to make material additional

capital or operating expenditures to use coal at the Plant, then BUYER and SELLER shall use reasonable efforts to negotiate an amendment to the Contract to eliminate the issue, if possible, and if a mutually agreeable amendment is not reached within thirty (30) business days, all obligations under this Contract by BUYER to purchase said prohibitive grade or quality of coal will be discharged and excused on the date on which such law, regulation, or standard's applicable provisions go into effect. However, said parties will be fully bound and legally obligated to perform under the exact terms and conditions of this Contract up and until said date. It is also understood that in the event that during the Term of this Contract there is any federal, state, or local law, or any regulation, tariff, order, rule, tax, court ruling, or standard enacted which prevents SELLER from mining, removing, and delivering coal to BUYER or make it necessary for SELLER to make material additional capital or operating expenditures to produce coal, other than the aforesaid taxes, fees, special assessments, or similar levies for which escalation is provided for in Section 3 herein, then BUYER and SELLER shall use reasonable efforts to negotiate an amendment to the Contract to eliminate the issue, if possible, and if a mutually agreeable amendment is not reached within thirty (30) business days, then SELLER may, upon the effective date specified in such legislation or regulation, be discharged and excused from the respective obligations under this Contract.

Breach: An event of default ("Event of Default") with respect to a party (the "Defaulting Party") shall mean any of the following:

- (i) the failure of Defaulting Party to pay when due any required payment where such failure is not remedied within five (5) days after written notice, thereof, provided the payment is not subject to a good faith dispute;
- (ii) the failure of the Defaulting Party to deliver or to accept delivery of the quantity of coal to be delivered hereunder unless excused by Force Majeure, other express contractual provisions, hereof, or the other party's failure to perform, and such failure is not remedied within five (5) days after notice thereof;
- (iii) the insolvency, bankruptcy, or assignment for the benefit of creditors of either party; or
- (iv) the failure of the Defaulting Party to comply with any material obligation under this Purchase Order (other than those described specifically in this Section above or below) where such failure continues uncured for five (5) days after written notice thereof, provided that if it shall be impracticable or impossible to remedy such failure within such five (5) day period, the cure period shall be extended for an additional period reasonably necessary to remedy such failure subject to the condition that during the additional period, the Defaulting Party shall be diligently pursuing a remedy for the failure;

Upon the occurrence and during the continuance of an Event of Default, as to the Defaulting Party, the other party may:

- (i) withhold any payments due to the Defaulting Party until such Event of Default is cured;
- (ii) suspend performance of its obligations under this Agreement until such Event of Default is cured;
- (iii) Recover all damages and pursue all remedies set forth for buyers or sellers, as applicable, under the Uniform Commercial Code, as enacted; or
- (iv) terminate by written notice this Purchase Order as of any date specified by the non-Defaulting Party within thirty (30) Days after such notice is given; however, such notice shall not be required where Defaulting Party files for a voluntary bankruptcy proceeding or similar proceeding.

Except as otherwise provided herein, such rights and remedies shall be in addition to any other right or remedy the non-Defaulting Party may have at law, including under the Uniform Commercial Code, or in equity.

Non-Assignability, Choice of Law: This Purchase Order is personal as between Buyer and Seller and is non-assignable, except that, after prior written notice to the other party, Buyer may assign its rights under this Purchase Order only to the Rural Utilities Service or other lenders to Buyer. Otherwise, rights or obligations under this Purchase Order, and this Purchase Order itself, are neither assignable nor otherwise transferable and may not be subcontracted except by the written consent of said parties, which consent shall not be unreasonably withheld. This Purchase Order is governed by the laws of the Commonwealth of Kentucky, without regard to its choice of law principles. The parties hereto agree that any disputes that may arise under this Purchase Order that culminates in litigation shall be instituted and tried in Clark County, Kentucky or the United States District Court, sitting in Fayette County, Kentucky, with such applicable courts having sole and exclusive jurisdiction.

Entire Agreement: This instrument contains the entire contract between the parties, and there are no representations, understandings, or agreements, oral or written, which are not included or expressly referred to herein.

Severability: If any provision of this Purchase Order or its application are held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of all other applications of that provision, and of all other provisions and applications hereof, will not in any way be affected or impaired. If any court of competent jurisdiction shall determine

that any provision of this Purchase Order is in any way unenforceable, such provision shall be reduced to whatever extent is necessary to make such provision enforceable.

Fair Competitive Bidding: This purchase order has been awarded to Seller pursuant to a fair and confidential competitive bidding process. By entering this purchase order, Seller represents and warrants that it did not promise or deliver anything of significant value to, or solicit or receive any confidential competitive bidding information regarding this purchase order from, any officer, director, agent or employee of Buyer, or any member of their families. Buyer shall have the right to terminate this Purchase Order should it determine that this representation of Seller is false.

The Equal Employment Provisions on the footer of the Purchase Order are applicable hereto and are hereby expressly incorporated herein.

COMPLIANCE WITH APPLICABLE LAWS; SAFETY; DRUG AND ALCOHOL TESTING

Applicable Laws and Safety: Seller (which, for purposes of this Article, also includes its subcontractors/carriers) agrees to follow applicable laws and reasonable safety protocols and be responsible for the final delivery to the f.o.b. delivery point at Tunnel Ridge Dock (hereinafter, "Deliveries") and to protect Buyer's facilities, property, employees, and agents from damage or injury caused by SELLER. Seller shall take all necessary or advisable precautions for the safety of all persons and property at, on, or near its operations. Seller shall comply with all applicable safety standards established and promulgated under the Federal Coal Mine Safety and Health Act (MSHA) and with all additional applicable regulations, rules, and orders of government bodies and agencies which may have jurisdiction over its operations. Seller certifies that all work and products used by it to accomplish performance under this Agreement comply with said laws, regulations, rules and orders.

Hazards and Training: Seller shall furnish adequate numbers of trained and qualified personnel and appropriate safety and other equipment reasonably suitable for performance of the Deliveries. Such personnel shall be skilled and properly trained to perform the Deliveries. In the event that any of Seller's employees visit Buyer's locations, Seller shall participate in any safety orientation or other of Buyer's safety initiatives and shall strictly comply with any monitoring initiatives as determined by Buyer.

Drug and Alcohol: No person will perform any of the Deliveries while under the influence of drugs or alcohol. Seller shall use commercially reasonable efforts to administer and conduct drug and alcohol testing at its sole expense as well as on all of its employees and/or subcontractors performing the Deliveries and shall so certify in writing if so requested. As applicable and in addition to any other requirements and/or this Agreement, Seller shall develop and strictly comply with any and all drug testing requirements as required by Applicable Laws.

Should Seller have actual knowledge of violations of any of the herein stated policies of conduct in this Agreement, whether by its own employees, agents, representatives or its subcontractors, Seller has an affirmative obligation to immediately report any such known, perceived and/or anticipated violations to the Buyer in care of Buyer's Safety Manager at Headquarter Location or safety coordinator at the applicable facility.

Notice to Owners: Seller shall comply with all applicable laws and regulations regarding the reporting of any accidents or incidents, including property damage, arising out of or in connection with the Deliveries.