

COAL CONTRACT

THIS COAL CONTRACT (this "Contract") is made and entered into this 17th day of June 2022, by and between CCU Coal and Construction, LLC, an Ohio limited liability company, with an office at 544 Chestnut Street, P. O. Box 1027, Coshocton, Ohio 43812, hereinafter called "SELLER" and East Kentucky Power Cooperative, Inc., a Kentucky corporation with its principal office at 4775 Lexington Road, P. O. Box 707, Winchester, Clark County, Kentucky 40392-0707, hereinafter called "BUYER."

WITNESSETH

THAT for and in consideration of the mutual covenants contained herein, SELLER agrees to sell to BUYER, and BUYER agrees to purchase from SELLER, coal for BUYER'S Gilbert Unit No. 3 and Unit No. 4 at Spurlock Power Station, Charleston Bottoms, Kentucky, (the "Plant"), under the following terms and conditions:

1. Quantity, Scheduling and Term

(a) SELLER does hereby agree to sell to BUYER, and BUYER agrees to purchase from SELLER, Eight Hundred Forty Thousand (840,000) tons of coal (the "Total Contract Tonnage") over two (2) years at a rate of Four Hundred Twenty Thousand (420,000) tons of coal per year (the "Base Annual Tonnage Amount"), subject to Sections 3 (b), 5 (c), and 7 herein, and BUYER'S right to vary the Total Contract Tonnage and Base Annual Tonnage Amounts through the adjustment of monthly delivery rates, as provided in Section 1 (b) hereinbelow.

(b) BUYER shall order coal by providing notice to SELLER of the amount and timing of coal deliveries (the "Delivery Schedule"); provided that coal shall be ordered and delivered in amounts approximately equal to Thirty-Five Thousand (35,000) tons per month (the "Base Monthly Delivery Amount") subject to the rights of BUYER to alter such deliveries pursuant to the provisions of this Contract. If BUYER does not order coal by provision of notice, SELLER shall deliver the Base Monthly Delivery Amount ratably through the applicable month. The scheduled tonnage shall be delivered to BUYER in approximately equal weekly quantities during the month, unless otherwise requested in a Delivery Schedule. Any shortfall in scheduled monthly deliveries resulting from a carrier's failure of performance will be made up based upon a mutually agreeable shipping schedule. BUYER shall have the right, upon at least thirty (30) days notice to SELLER, to vary the monthly deliveries for any given month under this Contract to any amount between twenty percent (20%) above and twenty percent (20%) below the Base Monthly Delivery Amount. The Base Annual Tonnage Amount for the applicable year and the Total Contract Tonnage, as provided in Section 1 (a) above, shall automatically be amended to conform to the actual monthly delivery rates scheduled by BUYER from time to time pursuant to this Section 1 (b), so that the Base Annual Tonnage Amount for the applicable year and the Total Contract Tonnage amount will reflect the cumulative changes in scheduled deliveries made by BUYER pursuant to this Section 1 (b).

(c) During the Term, on a quarterly basis, unless excused by Force Majeure, by BUYER'S written waiver, or by BUYER'S failure to perform, if SELLER fails to deliver at least

ninety percent (90%) of the Base Monthly Delivery Amount for such calendar quarter, excluding tonnage delivered but rightfully rejected by BUYER pursuant to the terms of this Contract, SELLER shall pay BUYER for each ton of such deficiency an amount equal to the positive difference, if any, obtained by subtracting the then current price for coal hereunder for the deficiency from the Replacement Price plus (i) any additional transportation costs incurred by BUYER due to such failure and (ii) legal costs incurred by BUYER in connection with such failure and replacement. "Replacement Price" means the price, determined by BUYER in a commercially reasonable manner, at which BUYER purchases (if at all) substitute coal which meets the specifications herein or, absent such purchase, the market price for such quantity and quality of coal, f.o.b. stockpile. BUYER may set off such amounts owed to it under this Section 1 (c) against future payments owing to SELLER.

(d) Monthly deliveries shall commence on January 1, 2023, and continue through December 31, 2024, for a total Contract term of Two (2) years (the "Term"). The Term shall be extended to the extent required by the other express terms of this Contract.

(e) Notwithstanding any other provisions of this Contract, and in order to accommodate BUYER'S annually scheduled 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 Base Monthly Delivery Amount 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 the period for which the Base Monthly Delivery Amount was deferred.

2. Coal Price

The base price for all coal supplied hereunder meeting the quality specifications contained herein and delivered f.o.b. barge at CCU Dock shall be listed below. The Base Price shall be subject to price adjustments set forth in Sections 3, 4 (d) and 4 (e).

Calendar Year	Base Price (cents per million Btu)
Year 1 - 2023	\$3.6496 (\$81.75 at 11,200 Btu per pound)
Year 2 - 2024	\$3.6496 (\$81.75 at 11,200 Btu per pound)

The Base Prices above are inclusive of harbor switching or fleeting charges which shall be the responsibility of SELLER.

EXAMPLE: The base price of coal with a heat content of 11,200 Btu/lb. would be \$81.75 per ton. For coal with a heat content of 11,500 Btu/lb., it would be \$83.94 per ton.

3. Coal Price Adjustments

(a) The parties hereto agree that the price payable herein for coal includes the cost of complying with all existing federal, state, or local laws or regulations as of May 2, 2022. In the event that any change in federal, state, or local taxes, fees, special assessments, or similar levies, directly relating to the mining, processing, or transportation of coal (but specifically not including variable compliance costs of laws or regulations such as, but not limited to, those pursuant to the federal Surface Mining Control and Reclamation Act of 1977 and state law equivalents and taxes measured on or by income not levied directly on the production of coal) results in a change in costs to SELLER and such cost is generally applicable to similarly situated producers of coal in the

region where SELLER'S mines provided coal hereunder are located, the following procedures shall be used for adjustments to the price paid for coal: SELLER shall submit any requests for price adjustment under this Section 3 (a) to BUYER in writing **PRIOR** to the time SELLER desires such price adjustment to become effective to allow BUYER a reasonable time in which to review such requests. The written notice of such change in costs to BUYER must include an explanation of the effect of such change on the costs of supplying coal from the mines used by SELLER to supply coal hereunder, accurate and detailed computations, and data reasonably necessary to substantiate the resulting increase. BUYER shall have the right to inspect all books and records of SELLER pertaining to such adjustment. In the event that SELLER is unable, using reasonable business care, to calculate the exact cost increase claimed as a price adjustment hereunder, prior to the desired effective date, SELLER shall submit its best reasonable estimate of such cost increase to BUYER for review and information purposes, subject to the submission of a final cost increase schedule. Failure of SELLER to submit a cost increase schedule or estimate to BUYER within a reasonable time prior to the desired effective date for a requested price adjustment hereunder shall constitute a waiver of SELLER'S right to request such price adjustment for any shipments made prior to SELLER'S submission of a cost increase schedule or estimate to BUYER. Any price adjustment hereunder shall be based only on a final schedule of cost increases and not an estimate submitted as provided hereinabove. **Notwithstanding any other provision of this Section, there shall be no proposal for price adjustment as a result of any noncompliance with any law or regulation, or any civil or criminal fines or penalties imposed for failure to comply with any law or regulation currently existing or hereafter enacted.**

SELLER shall use its best efforts and reasonable business care to submit a final detailed breakdown of cost increases claimed as a basis for price adjustment hereunder to BUYER as soon as the information is available. Upon the receipt of said information, BUYER shall, at its sole option, accept or reject the requested price adjustment. If (i) a price adjustment requested by SELLER under this Section 3 (a) would result in a Contract price increase exceeding five percent (5%) of the Base Price or (ii) a combination of price adjustments under this Section 3 (a) and any other provisions of this Contract that collectively come into effect during any one-year period would result in a Contract price increase exceeding five percent (5%) of the Base Price, then BUYER may, at its sole discretion and without further obligation or liability to either party hereunder or at law, terminate the Contract upon sixty (60) days' written notice given after such an adjustment(s) is requested by SELLER. However, in lieu of termination, SELLER may elect to absorb the cost in excess of the aforementioned limit, in which case the Contract shall remain in full force and effect. SELLER'S election must be set forth in writing within thirty (30) days of BUYER'S notice of termination. Such election by SELLER shall be irrevocable and binding for that increase. BUYER may invoke the provisions of this Section 3 (a) each and every time the cost increase requested by SELLER exceeds the limit set forth above.

In the event that any said taxes, fees, special assessments or similar levies, whether included in the Base Price of coal or added to the price of coal by escalation hereunder, are reduced and such reduction results in a cost decrease for SELLER, BUYER will submit to SELLER a request for price adjustment which shall include an estimate of the decreased costs, and the decreased cost per ton of coal, at which time SELLER, at its sole option, will accept or reject the

estimate of the decreased cost. In the event that SELLER rejects the estimate submitted by BUYER, SELLER will submit its schedule of such decreased costs to BUYER, which BUYER, at its sole option, will accept or reject.

In the event that a request for price adjustment under this Section 3 (a) reduces the price of coal or would not raise the price of coal sufficiently to give BUYER the right to terminate this Contract, as provided hereinabove, and in either event, BUYER and SELLER do not agree on the amount of the adjustment, the parties do hereby agree to first attempt to compromise said changes in costs and, failing to do so, they will select a third and impartial representative within ten (10) days thereafter, and the three (3) of them will then attempt to agree upon said changes in costs, and a decision of the majority of the three will be final and binding on the parties to this Contract. If BUYER and SELLER cannot agree on a third and impartial representative, then it is agreed that the Senior Judge of the Eastern District of Kentucky shall be asked to select the third person, and his decision as to selection of such third person, and the decision of a majority of the three (3) ultimate representatives shall be binding upon the parties to this Contract. Time being of the essence, a final decision shall be made within three (3) months after the parties originally submit their alleged changes in cost. Each party will bear the cost of its representative and they shall equally share the cost of a third representative if needed.

(b) Between August 1, 2024, and October 31, 2024, (a "Re-opener Period"), the parties shall jointly consider extending the Contract for an additional two (2) year term. If the parties are unable to agree to the extension for any reason during the Re-opener Period, then this Contract shall terminate effective on the last day of the Term as defined in Section 1 (d).

(c) The base price as stated in Section 2 shall be adjusted, as provided hereinbelow, beginning January 1, 2023, to arrive at the actual billing price. Thirty-five percent (35%) of the Base Price shall be adjusted monthly for the cost of diesel fuel, all described as follows:

I. Thirty-five percent (35%) of the base price shall change in direct proportion to changes in the index for No. 2 diesel fuel, EIA On-Road Diesel-Midwest Average Monthly Index. The base month for this index will be March 2022. Effective January 1, 2023, and each month thereafter, this portion of the base price shall change in accordance with changes in the fuel index for the preceding month, compared to the base month.

EXAMPLE: The following is a hypothetical example, for illustration purposes only, of a diesel fuel price adjustment for the month of January 2023.
(Index numbers were randomly chosen.)

PERCENT CHANGE OF FUEL PRICE:

Base Index	March 2022	—	389.1
Current Index	December 2022	—	395.5
Difference			6.4

PERCENT CHANGE:

Index Difference/Base Index = $6.4 \div 389.1 = 0.016$ or 1.6%
 Adjustment on 35% of base price per million Btu =
 $3.6496 \times 35\% \times 0.016 = 0.020$ (rounded).

By these figures, the adjustment for the month beginning January 1, 2023, would add \$.020 per million Btu to a base price of \$3.6496 per million Btu.

II. Percentage changes shall be calculated to the nearest one-tenth percent (.1%). Price adjustments shall be calculated to the nearest tenth of a cent per million Btu. The 35% fuel adjustment calculations shall be based on the Base Price per million Btu of this Contract of the applicable time period as defined as Year 1 and 2. All indices as noted above shall be the first preliminary figure.

4. Quality, Sampling, and Analysis

(a) Coal sold hereunder shall meet the following specifications on an “as received” basis which such specifications are the rejection limits unless expressly stated otherwise herein:

<u>Quality Specifications</u>	<u>Guaranteed Monthly Weighted Average</u>	<u>Rejection Limits (per barge)</u>
Btu/lb.	Minimum 11,200	10,800*
Ash	Maximum 19%*	>20%*
Moisture	Maximum 10%	>15.0%
Sulfur Dioxide**	Maximum 9.75#	>10*
Fines (% by wgt.) passing 1/4" screen	Maximum 40%	> 45%
Grind	Nominal 45	N/A
Ash Fusion		
Initial Deformation	2040° Minimum	N/A
Softening (H=W)	2190° Minimum	N/A
Fluid	2470° Minimum	N/A
Chlorine	Maximum 0.15%	Maximum 0.15%
Nitrogen	Maximum 1.40%	Maximum 1.40%

* Subject to Sections 4 (d) and/or (e) below

** Sulfur Dioxide = $\frac{\text{Percent Sulfur} \times 20,000}{\text{Btu/lb.}}$

Size and Preparation — Shall be 2" x 0" crushed R.O.M. coal with no intermediate sizes removed; clean and free of impurities. The amount of fines (1/4" x 0") shall not exceed forty percent (40%).

(b) BUYER shall have the right, at its sole option, to reject any barge if the coal is not crushed run-of-mine having a maximum top size of 2"; is not reasonably free of impurities (such as earth, rock, wood, bone, metal, sulfur balls or other impurities) has an excessive amount of fines; is "hot coal;" if BUYER believes that unloading the coal would involve an unusually hazardous condition; or the coal exceeds any of the Rejection Limits set forth above in Section 4 (a) other than Btu, sulfur and ash (rejection for variance from such specifications are governed by Section 4 (d)). BUYER shall provide prompt oral notice of rejection and shall provide written notice of same upon written request. When any barge has been rejected by BUYER upon visual inspection before unloading, SELLER shall remove such shipment immediately from BUYER'S premises at SELLER'S expense, if at BUYER'S premises and if such rejection is prior to delivery to BUYER'S premises, BUYER shall have no obligation to take delivery of such coal. If BUYER unloads the coal before rejection, BUYER and SELLER shall comply with Section 2-604 of the Uniform Commercial Code, as enacted. Tonnage deficiencies caused by rejection shall be made up by SELLER at BUYER'S sole discretion. With respect to any tonnage rejected, BUYER shall have the right to buy replacement coal of similar quality and quantity as the coal specification of this Contract to maintain operations if such rejection causes a deficiency as specified in Section 1 (c) of this Contract. SELLER shall reimburse BUYER for costs associated with such cover in accordance with the procedure outlined in Section 1 (c) of this Contract.

It is further understood and agreed that BUYER does not waive its rights under this Contract 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.

(c) 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, BUYER shall have the right to suspend all further deliveries of coal from SELLER by giving notice thereof to SELLER. Promptly after such notice is delivered, 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 and shall make such documentation available for SELLER'S review during such time as the parties are attempting in good faith to resolve the matter. If it is determined that foreign matter in SELLER'S coal is responsible for any of the damage, then the parties shall attempt in good faith to agree upon the cost of repair or replacement, as the case may be, of damaged equipment, which cost and all other costs and expenses arising out of such damage shall be paid by SELLER to BUYER, or, at BUYER'S option, upon what adjustments in the price for the coal or the coal tonnage can be made to resolve the matter. Any Contract price adjustments or coal quantity adjustments shall equate to the cost of any necessary repair or replacement, and other costs and expenses reasonably incurred by BUYER as a result of such damages, including any material or labor costs, to the extent caused by the coal

delivered hereunder containing such foreign matter. If the parties cannot resolve the matter or agree on price or other adjustments within forty-five (45) days after BUYER'S notice of the damage is given to SELLER, then BUYER and SELLER agree to resolve the matter in accordance with the steps outlined in the last paragraph of Section 3 (a) of this Contract.

(d) BUYER agrees to accept deliveries of coal with a heat content of at least 10,800 Btu/lb. and/or an ash content of up to twenty percent (20%), and/or a sulfur content of up to ten (10) lbs. SO₂/MMBtu subject to the following price adjustments. The parties agree that these adjustments shall help defray BUYER'S costs for blending and burning such lower quality coal. Such coal deliveries, subject to the price adjustments provided in this Section 4 (d), shall be considered to conform to the Contract specifications for heat content and ash content and sulfur content.

I. Price Adjustment for heat content below 11,200 Btu/lb., but not less than 10,800 Btu/lb. on an "as received" basis:

For each 100 Btu/lb. that the heat content falls below 11,200 Btu/lb., but does not fall below 10,800 Btu/lb., Five Cents (\$.05) per ton shall be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such a 100 Btu/lb. deficiency in heat content.

II. Adjustment for ash content above nineteen (19) percent, but not more than twenty (20%) percent on an "as received" basis:

For each one percent (1%) that the ash content exceeds 19, but does not exceed twenty percent (20%), Forty Cents (\$.40) per ton shall be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such a 1% excess in ash content.

III. Price Adjustment for sulfur content in excess of 10 lbs. SO₂/MMBtu, on an "as received" basis:

For each one-tenth of one percent (0.1%) the sulfur content exceeds 10 lbs. SO₂/MMBtu, Forty Cents (\$.40) per ton shall be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such a 0.1% excess in sulfur content.

$$\text{Percent Sulfur} = \frac{\# \text{SO}_2 \times \text{Btu/lb.}}{20,000}$$

EXAMPLES:

ASSUME:	Contract Specification	Monthly Average Analysis
Btu	11,200	10,900
Ash	19.00%	19.5%
Sulfur	5.45%*	5.60%

* Based on 10,900 Btu/lb. "as received" in this example

COMPUTATION:

Btu:

$11,200 - 10,900 = 300 \div 100 \times \$0.05 = \$0.15$ per ton.
Therefore, \$.15 per ton would be deducted from the billing price.

Ash:

$19.0 - 19.5 = .5 \times \$0.40 = \$0.20$ per ton.
Therefore, \$.20 per ton would be deducted from the billing price.

Sulfur:

$5.60 - 5.45 = 0.15 \div .10 \times \$0.40 = \$0.60$ per ton
Therefore, \$.60 per ton would be deducted from the billing price.

(e) BUYER reserves the right to reject individual barge loads of coal which do not meet (i) the minimum heat content requirement of 10,800 Btu/lb., (ii) a maximum ash content requirement of twenty percent (20%), or (iii) a maximum sulfur content of ten (10) lbs. SO₂/MMBtu. The analysis for such rejections shall be the individual barge analysis for such deliveries. In the event that BUYER elects to accept occasional shipments of nonconforming coal, the following price adjustments shall apply to such shipments, as appropriate, in addition to the price adjustments provided in Section 4 (d), hereinabove, and in addition to any other remedies available to BUYER:

I. Price Adjustment for heat content below 10,800 Btu/lb., on an "as received" basis:

For each 100 Btu/lb. that the heat content falls below 10,800 Btu/lb., Seventy-Five Cents (\$.75) per ton shall be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such a 100 Btu/lb. deficiency in heat content.

II. Price Adjustment for ash content over twenty percent (20%) on an "as received" basis:

For each one percent (1%) that the ash content exceeds twenty percent (20%), One Dollar (\$1.00) per ton shall be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such a one percent (1%) excess in ash content.

EXAMPLES:

ASSUME:	Contract Specification	Monthly Average Analysis
Btu	11,200	10,700
Ash	19.00%	22.00%
Sulfur	5.35%*	5.5%

*Based on a 10,700 Btu

COMPUTATION:

Btu:

$11,200 - 10,800 = 400 \div 100 \times \$0.05 = \$0.20$ per ton. (Sec. 4 (d) adjustment)

$10,800 - 10,700 = 100 \div 100 \times \$0.75 = \$0.75$ per ton. (Sec. 4 (e) adjustment)

Therefore, \$.95 per ton would be deducted from the billing price.

Ash:

$19.00 - 20.00 = 1.00 \times \$0.40 = \$0.40$ per ton. (Sec. 4 (d) adjustment)

$20.00 - 22.00 = 2.00 \times \$1.00 = \$2.00$ per ton. (Sec. 4 (e) adjustment)

Therefore, \$2.40 per ton would be deducted from the billing price.

Sulfur:

$5.5 - 5.35 = .15 \div .10 \times \$0.40 = \$0.60$ per ton.

Therefore, \$.60 per ton would be deducted from the billing price.

BUYER and SELLER agree that the application of the price reductions provided in Sections 4 (d) and 4 (e) shall not be considered liquidated damages but is intended to partially defray BUYER'S additional costs for blending and burning said lower quality coal; shall not constitute a waiver by BUYER of any of the terms of this Contract; shall not excuse noncompliance with the Contract specifications by any shipment by SELLER; and shall not affect BUYER'S right to reject any coal received that fails to meet the requirements of Section 4 (a) herein or that BUYER has a right to reject pursuant to other provisions of this Contract.

(f) If the coal shipped to BUYER fails to meet a minimum heat content requirement of 10,800 Btu per pound, a maximum ash content of twenty percent (20%), or a maximum sulfur content of ten (10) lbs. SO₂/MMBtu, or any of the other requirements set forth in Subsection (a) of this Section 4, for two (2) consecutive weeks based on the analyses made during such time, except for the sulfur requirements which are discussed further hereinbelow, or if SELLER fails to deliver coal for two (2) consecutive weeks without valid excuse under Section 7, and valid written notice thereof, BUYER shall have the right, upon giving SELLER written notice, to suspend further deliveries until SELLER has provided adequate assurance, in the sole opinion of BUYER, that all shipments of coal delivered thereafter will conform to each and every requirement set forth in Section 4 (a) and the applicable delivery schedule. If SELLER fails to furnish BUYER with such assurance within thirty (30) days after written notice is sent to SELLER, BUYER may, at its sole option, treat this Contract as materially breached by SELLER, it being understood and agreed that the aforesaid assurance procedure is not an exclusive remedy afforded BUYER, but instead is optional and cumulative and in addition to other rights and remedies of BUYER provided herein and by law. During periods of suspension, BUYER shall have the right to buy replacement coal of similar quality and in such quantities (not exceeding the suspended quantities) as BUYER deems necessary to maintain operations and desired levels of inventory, and SELLER shall reimburse BUYER for costs associated with such cover in accordance with the provisions outlined in Section 1 (c) of this Contract.

NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED HEREIN TO THE CONTRARY, OR OTHERWISE, it is understood and agreed that BUYER faces severe

penalties by the Environmental Protection Agency, and others, in the event of its use of coal with a sulfur content of more than the percentages noted in Section 4 (e) hereinabove; and therefore, BUYER constantly monitors and tests its coal to assure itself of sulfur compliance, and it cannot tolerate the receipt of any substantial amount of coal which does not meet such specifications. Therefore, in the event that BUYER'S testing procedures reveal that any coal delivered under this Contract fails to meet the above stated sulfur requirements, then BUYER may reject such shipments on the day on which the sample was taken and suspend shipments until and unless within thirty (30) days, SELLER assures BUYER of future and continuous compliance with said sulfur requirements. If SELLER provides adequate assurance of future compliance within this thirty (30) day period that is satisfactory to BUYER, then deliveries may resume under the terms of this Contract. If, however, SELLER fails to provide BUYER with adequate assurance of future compliance, BUYER shall have the right, at its sole option, to declare SELLER in material breach of this Contract, or to allow SELLER up to an additional sixty (60) days to provide adequate assurance of such future sulfur compliance. In the event that BUYER allows an additional period of time for the furnishing of such assurance, SELLER shall either make arrangements for delivery of adequate quantities of coal meeting such Contract specification as provided in Section 4 (a), hereinabove, at the then-current Contract price, to meet SELLER'S Contract commitment; or SELLER shall reimburse BUYER for any amount that replacement coal purchased by BUYER, in amounts not to exceed scheduled quantities under this Contract, exceeds the then-current Contract price in accordance with the provisions outlined in Section 1 (c) of this Contract. Such reimbursement shall be made by SELLER to BUYER by the 20th day of the month following the receipt of such replacement coal. If SELLER does not provide adequate assurance of future compliance by the end of any such extended time period, BUYER may, at its sole option, declare SELLER in material breach of this Contract and terminate this Contract. This assurance procedure is not an exclusive remedy for such noncompliance, but is optional and in addition to other rights and remedies of BUYER provided herein or at law.

(g) For purposes of determining price adjustments under Section 4 (d) and quality of all coal accepted under this Contract, including the moisture, ash, sulfur, and heat content requirements, the quality characteristics of the coal shall be deemed to be equal to the analysis results obtained by calculating the weighted average monthly values of the moisture, ash, sulfur, and heat content. The average monthly values of the moisture, ash, sulfur, and heat content of the coal "as received" shall be the weighted average moisture, ash, sulfur, and heat content of all individual barge samples collected during the Sample Period. The "Sample Period" shall be a monthly interval. The preparation and analysis of coal used in determining the average monthly values of the moisture, ash, sulfur, and heat content of the coal shall be performed by Mineral Labs Inc. or by another independent laboratory mutually acceptable to SELLER and BUYER from samples taken by SELLER at the Delivery Point in accordance with applicable ASTM standards, and all tests shall be conducted at BUYER'S expense. SELLER, at its expense, shall have the right to have a representative present when samples are taken, prepared, and analyzed in BUYER'S independent laboratory. Of each sample prepared for analysis, a split will be prepared and retained by BUYER'S independent laboratory for at least fourteen (14) days after the analysis results of

that sample have been sent to BUYER. Anytime within this fourteen (14) day period, this split shall be made available to SELLER upon request.

5. Delivery and Weighing

(a) SELLER has sole responsibility for the delivery of coal f.o.b. barge, CCU Dock, Ohio River, Milepost 92.8 (the "Delivery Point"). Title to, and risk of loss, for coal delivered hereunder shall remain with SELLER until accepted by BUYER'S carrier at the Delivery Point. BUYER is not obligated to pay for any coal not delivered to the Delivery Point. Payment obligations of BUYER, in accordance with Section 6 herein, shall not accrue until coal is delivered to and unloaded at the Payment Point (as defined in Section 6).

(b) The weight shall be determined by barge draft survey at the Delivery Point by Mineral Labs Inc. or by an independent surveyor mutually acceptable to SELLER and BUYER at BUYER'S expense. It being clearly understood and agreed by the parties that BUYER is purchasing coal from several different suppliers and that all deliveries shall be made according to the monthly Delivery Schedule agreed upon by the parties.

(c) The monthly delivery rates as provided for in Section 1 shall not be exceeded in any month, nor shall the Term of this Contract be extended in order to make up for deficiencies in the delivery schedule caused by SELLER, except at the sole option of BUYER. For each delivery by barge, SELLER shall supply BUYER with a shipping notice which shall include the vessel name, source from which supplied, tonnage shipped, shipping date, destination, and any other information reasonably required by BUYER and agreed to by SELLER. SELLER shall within forty-eight (48) hours of receipt, or as soon thereafter as reasonably practicable, send the shipping notice to BUYER by electronic mail or other means as agreed to between BUYER and SELLER. SELLER shall, as soon as reasonably practicable, notify BUYER via telephone or other electronic means, with confirmation in writing, of any loading deficiencies or delays in loading.

(d) SELLER agrees to defend, indemnify, and hold harmless 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 Contract—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 Contract.

BUYER agrees to defend, indemnify, and hold harmless 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 Contract—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 occurring during or in relation to performance of this Contract.

Coal sold and purchased hereunder shall be delivered by barge. The barges shall be loaded to not less than 1,550 tons. Any charges incurred by BUYER, as a result of SELLER loading barges with less than the minimum tons or taking more than forty-eight (48) hours to load a barge from the first 7:00 a.m. after barges are delivered to SELLER'S loading dock, shall be the responsibility of SELLER and, therefore, deducted from BUYER'S payment to SELLER. After loading each shipment, SELLER shall give prompt notification to BUYER. Such notification shall include, specifically, the barge numbers, short proximate analysis, tonnage, and such other pertinent information as mutually agreed upon. It is understood and agreed that BUYER WILL NOT unload any barges until the above information is received. Any charges, such as demurrage, incurred by BUYER as a result of SELLER'S late notification to BUYER, shall be the responsibility of the SELLER and, therefore, will be deducted from the payment made to SELLER.

(e) 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 to be provided to BUYER within thirty (30) days of the date first set forth above:

- (i) 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 Commonwealth of Kentucky
 - 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.
 - 3. United States Longshoremen and Harbor Workers Act Endorsement (WC 00 01 06).
 - 4. Maritime "Jones Act" Endorsement (WC 00 02 01).
 - 5. Federal Employer's Liability Act Endorsement "FELA" (WC 00 01 04).
 - 6. Federal Coal Mine Health and Safety Act Coverage Endorsement (WC 00 01 02).
- (ii) 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 to the extent necessary to fulfill SELLER'S indemnity obligations under Section 5 (d), 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.
- (iii) Intentionally Left Blank.
- (iv) Umbrella/Excess Liability Insurance: Employer Liability, Commercial General Liability, and Commercial Automobile Liability, and if applicable, Environmental Impairment ("Pollution") Liability Insurance. SELLER shall provide a minimum Three Million Dollars (\$3,000,000) Each Occurrence and, Three Million Dollars (\$3,000,000) in the 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, Commercial Automobile Liability, and Marine Liability Insurance 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 Agreement.
- (v) 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

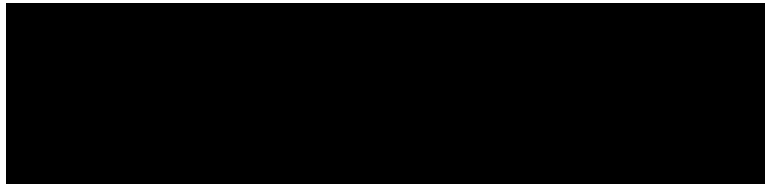
BUYER shall not be obligated to review any of SELLER'S Certificates of Insurance, insurance policies or endorsements, or to advise SELLER of any deficiencies in such documents. Minimum limits and coverage required under this Section should not be construed to necessarily be adequate for SELLER'S own insurance and risk management needs. Any receipts of such documents or their review by BUYER shall not relieve SELLER from or be deemed a waiver of BUYER'S rights to insist on strict fulfillment of SELLER'S obligations under the Contract.

BUYER reserves the right to request and receive a summary of coverage of any of the above policies or endorsements.

6. Payment and Notice

(a) Each Friday BUYER will make payment of Twenty - Five Dollars (\$25.00) per ton for coal delivered to and unloaded at the BUYER'S stockpile at the Plant, which is the "Payment Point", during the previous week. The balance owed for deliveries during a calendar month will be payable by the 23rd of the month following the calendar month in which the coal was delivered and unloaded at the Payment Point.

All payments shall be made by Automated Clearing House ("ACH") to the following account:



(b) All notices required or permitted to be given hereunder shall be in writing and shall be deemed properly given and received when (i) delivered by certified mail, return receipt requested, (ii) sent by facsimile with receipt acknowledged electronically, or (iii) transmitted by email to the proper party at the following addresses or to such other addresses as each respective party advised the other of by way of prior written notice:

BUYER: EAST KENTUCKY POWER COOPERATIVE, INC.
4775 LEXINGTON ROAD
P.O. BOX 707
WINCHESTER, KENTUCKY 40392-0707
Facsimile: 859-737-6047
Email: wes.kidd@ekpc.coop

SELLER: CCU COAL AND CONSTRUCTION, LLC
544 CHESTNUT STREET
P.O.BOX 1027
COSHOCOTON, OHIO 43812
Facsimile: 740-623-0365
Email: espiker@ccucoal.com

(c) BUYER shall have the right to withhold payment amounts equal to amounts due and owing to BUYER from SELLER pursuant to the terms of this Contract. BUYER shall notify SELLER promptly in writing of any such set-off amount, stating the basis of its claim and the amount it intends to withhold.

(d) Payment by BUYER, whether knowing or inadvertent, of any amount in dispute shall not be deemed a waiver of any claims or rights by BUYER with respect to any disputed amounts or payments made.

7. Interruption of Operation—Force Majeure

It is specifically understood and agreed that the obligations of both parties under this Contract 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. 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 Contract for the duration of this Contract, 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 Contract 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 Contract except as may be stated under the other terms of this Contract.

"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 prevents **or materially** impairs the mining, loading, or delivery of coal meeting the specifications of this

Contract, 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 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 Contract, 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 set forth in Section 4 (a) above, 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 Contract 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 Contract, with the express terms of the Contract instead governing.

8. 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 any federal, state, or local law, regulation, or standard has been or is enacted, 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, such as stricter or relaxed environmental quality standards, 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, regulation, or standard enacted which prevents SELLER from mining, removing, and delivering coal to BUYER, other than the aforesaid taxes, fees, special assessments, or similar levies for which escalation is provided for in Section 3 herein, and SELLER is unable to correct or modify its operations to avoid such prevention without unreasonable expense, then SELLER and BUYER may, upon the effective date specified in such legislation or regulation, be discharged and excused from the respective obligations under this Contract to sell and purchase coal, if the parties mutually agree to discharge and excuse such obligations.

9. Breach of Contract

(a) 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 pursuant to the Delivery Schedule 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 bankruptcy or assignment for the benefit of creditors of either party or any guarantor;
- (iv) Any representation or warranty made by SELLER herein shall prove to be untrue in any material respect when made;
- (v) The failure of the Defaulting Party to comply with any material obligation under this Agreement (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; or

- (vi) A letter of credit or bond default exists which shall mean with respect to an outstanding letter of credit issued pursuant to Section 10, the occurrence of any of the following events: (i) the issuer of such letter of credit shall fail to maintain a credit rating of at least “A-” by S&P or “A3” by Moody’s, (ii) the issuer of the letter of credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such letter of credit; (iii) such letter of credit shall expire or terminate, or shall fail or cease to be in full force and effect at any time during the Term of this Contract; or (iv) any posted letter of credit is not renewed at least twenty (20) business days prior to its expiration; or

(b) 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 Contract as of any date specified by the non-Defaulting Party within twenty (20) 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.

(c) 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.

10. Financial Information; Security for Performance

(a) Upon BUYER’S request, SELLER shall deliver to BUYER (i) within 120 days following the end of each fiscal year, a copy of SELLER’S annual report containing audited consolidated financial statements for such fiscal year, (ii) within 60 days after the end of each of

its first three fiscal quarters of each fiscal year, a copy of SELLER'S quarterly report containing unaudited consolidated financial statements for such fiscal quarter, and (iii) such other financial information of SELLER reasonably requested by BUYER.

(b) To assure, in part, performance under this Contract, by no later than December 1, 2022, SELLER shall provide BUYER with a Four Hundred Twenty Thousand Dollar (\$420,000) performance bond from a surety that is approved by BUYER and in a form acceptable to BUYER or an irrevocable standby letter of credit issued by an issuer approved by BUYER and in a form acceptable to BUYER. SELLER must continue to provide to BUYER a current bond or letter of credit through the Term of this Contract and must provide a new performance bond or letter of credit thirty (30) days before the expiration of the existing bond or letter of credit. Said bond shall be paid and delivered to BUYER in the event of default or material breach of this Contract by SELLER or the insolvency or bankruptcy of SELLER. A letter of credit shall provide that a drawing may be made on it upon submission to the issuer of one or more certificates from BUYER specifying the amounts due and owing to the BUYER in accordance with the specific requirements of the letter of credit. It is understood and agreed by the parties, however, that said security does not represent "liquidated damages," but it is additional security from SELLER to BUYER in the event of a default or breach of this Contract by SELLER.

11. Waiver of Breach and Remedies

No waiver of a breach of this Contract shall be construed or held to be a waiver of subsequent or any other breaches. All remedies afforded under this Contract shall be cumulative and in addition to every remedy provided by law.

12. Representations and Warranties

Each party represents and warrants to the other that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) The execution, delivery and performance of this Contract has been duly authorized by all necessary corporate or other organizational action on its part and do not violate or conflict with any law applicable to it, its organization documents, any contract to which it is a party or any order or judgment of a court or other agency of government applicable to it or its assets;

(c) Its obligations under this Contract are legally valid and binding obligations, enforceable in accordance with their terms;

(d) It has all necessary governmental and other third party permits, approvals and licenses required in connection with the execution, delivery and performance of this Contract;

(e) There are no bankruptcy proceedings pending, or to its knowledge threatened against it, and there are no legal proceedings pending, or to its knowledge threatened against it that would have a material adverse impact on such party if the outcome is adverse to such party.

13. Compliance with Laws

An explicit obligation of SELLER under this Contract is that SELLER shall perform its obligations hereunder, and the mining of coal, in accordance with all applicable Federal, state, county and municipal laws, regulations codes and ordinances, including, but not limited to, the

federal Mine Safety and Health Act of 1977 and regulations issued thereunder, and those applicable to transportation of coal and reclamation of coal mining property. Transportation of coal by SELLER or by any third party transporting coal on SELLER'S behalf to rail or barge loading facilities, or any other transportation by truck, 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.

14. Inspection

Upon thirty (30) days' prior written notice, BUYER shall have the right, at its sole risk and expense, to send its employees and/or designated representatives to SELLER'S coal mines, coal processing facilities, and SELLER'S loading facilities and other SELLER facilities for the purpose of inspection during loading of BUYER'S coal under this Contract. In connection with such inspection, at BUYER'S request, SELLER shall make available its management personnel to discuss with BUYER'S employees and/or representatives SELLER'S operations. SELLER shall at all times schedule its production and carry out its operations according to good mining, processing, preparation, management, and engineering practices in the industry in order to produce coal consistent with its obligations hereunder.

15. Non-Assignability

This Contract 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 Contract only to the Rural Utilities Service or other lenders to BUYER. Otherwise, rights or obligations under this Contract, and this Contract 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.

16. Fair Competitive Bidding

This Contract has been awarded to SELLER pursuant to a fair and confidential competitive bidding process. By entering this Contract, 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 Contract from, any officer, director, agent or employee of BUYER, or any member of their families. BUYER shall have the right to terminate this Agreement should it determine that this representation of SELLER is false.

17. Captions

The captions to sections hereof are for convenience only and shall not be considered in construing the intent of the parties.

18. Applicable Law

This Contract shall be construed under the laws of the Commonwealth of Kentucky, without regard to its choice of law rules, and it is agreed that any disputes that may arise under this Contract between the parties 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. SELLER shall provide a signed copy of a Certification Regarding Debarment and a signed copy of a Certification Regarding Lobbying, which shall be made part of this Contract. If any breach occurs under this Contract, and this Contract is placed in the hands of an attorney for enforcement, or is enforced through any court, or if any party institutes any legal suit, action or proceeding against the other party, then the non-prevailing party shall pay to the prevailing party its reasonable attorney fees, legal costs and other expenses incurred in enforcing or attempting to enforce this Contract or enforcing its rights hereunder.

19. Nondiscrimination

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 Contract as though fully set forth herein.

20. 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.

21. Severability

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

22. Forward Contract

BUYER and SELLER agree that this Agreement constitutes a “forward contract” and that each is a “forward contract merchant” as such terms are defined in the United States Bankruptcy Code, as amended.

23. Clear Title

SELLER represents and warrants that the coal delivered under this Contract shall be delivered free and clear from any restrictions, liens or other encumbrances of any nature whatsoever upon delivery to BUYER, provided that nothing contained in this Section shall preclude SELLER from granting a security interest in accounts receivable which may be due to SELLER from BUYER hereunder.

24. Amendment; Waiver

No amendment to this Contract 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 Contract 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.

25. Contract Negotiation

The parties acknowledge and agree that each party and its counsel have reviewed and revised this Contract and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be used in interpretation of this Contract.

26. Certain Remedies of BUYER

It is expressly recognized and understood between the parties that prompt and full deliveries by SELLER in accordance with this Contract are essential to BUYER. Time is of the essence with respect to deliveries of coal conforming to the requirements in Section 4 (a). Therefore, the parties agree that in addition to, and not in limitation of, any and all other remedies to which BUYER may be entitled by law and this Contract, BUYER shall have the right to require specific performance of this Contract by SELLER, and BUYER shall have the right, if necessary, to enter any appropriate judicial forum and, without bond or other security, to obtain injunctions and/or other appropriate relief against SELLER to prevent deliveries of any coal by SELLER to any third parties while SELLER is in default of or threatens default in the delivery of coal to BUYER that conforms to the specifications required under this Contract.

27. Compliance with Applicable Laws; Safety; Drugs; 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, and on, BUYER'S Plant Site (hereinafter, "Deliveries") and to protect BUYER'S facilities, property, employees, and third parties from damage or injury caused by SELLER. SELLER shall at all times comply with all Applicable Laws and facility rules, including without limitation those relating to health and safety, in connection with the Deliveries and has all applicable permits and approvals necessary to perform the Deliveries. Without limiting the foregoing, SELLER shall strictly abide by and observe all standards of the Occupational Safety & Health Administration (OSHA) which are applicable to the Deliveries being performed by SELLER now or in the future, all of which are incorporated herein by reference. While performing Deliveries, SELLER shall keep the Deliveries site free from debris caused by SELLER and not impair the safe and orderly condition of said site.. BUYER shall have the right but not the obligation to review SELLER'S compliance with safety and cleanup measures.

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. Without limiting the foregoing, 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.

Drugs and Alcohol: No person will perform any of the Deliveries while under the influence of drugs or alcohol. All persons who will perform any of the Deliveries may be subject

to drug and alcohol testing under either of the following circumstances: (i) where the person's performance either contributed to an accident or cannot be completely discounted as a contributing factor to an accident which involves off-site medical treatment of any person; and (ii) where BUYER determines in good faith that there is reasonable cause to believe such person is using drugs or alcohol or may otherwise be unfit for duty. Such persons will not be permitted to perform any Deliveries until the test results are established. 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 promptly report in writing to BUYER all accidents or incidents, including property damage, arising out of or in connection with the Deliveries, and after conducting an investigation, provide BUYER with details of the accident/incident, if any. Notice shall be given to BUYER'S Safety Manager at Headquarters or to the onsite Safety Coordinator for the applicable facility.


IN TESTIMONY WHEREOF, WITNESS the signatures of the undersigned, on the date first above written, for and on behalf of BUYER and SELLER and pursuant to a duly authorized resolution by their respective Board of Directors.

ATTEST:

SELLER: CCU Coal and Construction, LLC




Secretary

BY: 

President

ATTEST:

BUYER: East Kentucky Power Cooperative, Inc.



Recording Secretary

BY: 

President & Chief Executive Officer