

GAS SERVICE AGREEMENT

THIS GAS SERVICE AGREEMENT (this "Agreement") is entered into this 19th day of April, 2018, by and between Natural Energy Utility Corporation ("NEUC"), a Kentucky corporation, 2560 Hoods Creek Pike, Ashland, KY 41102, and [REDACTED] limited liability company, doing business at [REDACTED] 41102. NEUC and [REDACTED] are sometimes hereinafter referred to as, individually, the "Party" and, collectively, the "Parties".

RECITALS

WHEREAS, NEUC is a natural gas utility regulated by the Kentucky Public Service Commission;

WHEREAS, [REDACTED] company located within the service territory of NEUC; and

WHEREAS, [REDACTED], Inc. for construction of facilities [REDACTED] located in Boyd County, Kentucky, known as [REDACTED]

WHEREAS, [REDACTED] desires to procure from NEUC, and NEUC desires to provide to [REDACTED] natural gas sales and service, subject to the terms and conditions of this Agreement; and

WHEREAS, upon execution of this Agreement, NEUC intends to commence construction of a pipeline ("Pipeline") that will provide natural gas to the [REDACTED].

NOW, THEREFORE, for and in consideration of the covenants, agreements, terms, provisions and conditions hereinafter set forth and other good and valuable consideration, the receipt, sufficiency and adequacy of which the Parties hereby acknowledge, intending to be legally bound, the Parties agree as follows:

1. Gas Service. Subject to the terms and conditions of this Agreement, NEUC hereby agrees to deliver and sell, on an as-available basis above a minimum firm availability of [REDACTED] MCF per day, up to a maximum of [REDACTED] MCF per day, and [REDACTED] agrees to receive and purchase all of the natural gas required by [REDACTED] during the term of this Agreement [REDACTED]). The quantities of natural gas delivered and sold by NEUC, and received and purchased by [REDACTED], pursuant to this Agreement shall be those quantities of natural gas delivered to NEUC by third-party suppliers ("Local Production or Interstate-Intrastate Gas").

2. Construction of Pipeline. Upon execution of this Agreement, [REDACTED] shall pay NEUC the fixed sum of [REDACTED] for the cost of constructing the Pipeline. NEUC shall have sixty (60) days after receipt of this sum to complete the Pipeline project. An aerial photograph of the

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9/6/2018
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proposed location of the Pipeline is attached hereto as Exhibit A. The proposed location is subject to change depending on terrain conditions.

3. Delivery Point. The "Delivery Point" for natural gas delivered and sold by NEUC pursuant to this Agreement shall be at the outlet side of the natural gas meter to be owned by NEUC at the [REDACTED]. See also Exhibit A.

4. Quality. The natural gas delivered or sold by NEUC pursuant to this Agreement shall be blended production and/or Interstate-Intrastate Gas. The natural gas delivered hereunder shall be of commercial quality containing no more than one (1) grain of hydrogen sulfide nor more than ten (10) grains of total sulfur per one hundred (100) cubic feet. The natural gas so delivered shall contain an average total heating value for the time period hereof not less than one thousand forty (1,040) British Thermal Units (BTU) per cubic foot.

5. Measurement. The natural gas delivered or sold by NEUC pursuant to this Agreement shall be measured by NEUC's meter located just upstream of the Delivery Point.

6. Price.

A. For the natural gas service provided by NEUC to [REDACTED] pursuant to this Agreement, the following charges shall be due from [REDACTED] each month for [REDACTED] requirements, based upon NYMEX last day settlement price plus the following:

[REDACTED]

B. [REDACTED] shall pay any sales and use and other taxes which may be applicable to the natural gas service provided by NEUC pursuant to this Agreement.

7. Billing and Payment. For the charges set forth in Section 6 hereof, NEUC shall bill [REDACTED] each month and [REDACTED] shall make payment to NEUC no later than 15 days after receipt of NEUC's monthly invoice. Invoices shall be emailed to the billing address set forth in Section 14.10. In the event that payment of any invoiced amount is not received within 15 days of receipt of the invoice by [REDACTED]-, interest on the overdue amount shall accrue at the rate of 1.5% per month until the date payment is received by NEUC. In the event any invoice is not paid by [REDACTED] within thirty (30) days after receipt of the invoice by [REDACTED], NEUC may (reserving cumulatively all other remedies and rights under this Agreement and otherwise available at law and equity) at its sole option and discretion, and without prior notice to [REDACTED] terminate service and/or terminate this Agreement without any further obligation or liability to [REDACTED]. NEUC has the option to require payment by EFT.

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8. Term. This Agreement shall be effective upon the date this Agreement is executed ("Effective Date"), This Agreement shall have a primary term of [REDACTED] years after the date gas is first delivered ("Initial Term"); [REDACTED] ("Renewal Term") thereafter, unless either Party delivers written notice of termination to the other Party at least [REDACTED] days prior to the end of the Initial Term or any Renewal Term. Gas service shall commence upon completion of the Pipeline and approval by the Kentucky Public Service Commission.

9. Termination. [REDACTED] shall have a right to terminate this agreement upon [REDACTED] days written notice to NEUC without further liability.

10. Warranty. NEUC warrants that it has and will have throughout the term of this Agreement good and merchantable title to natural gas delivered to [REDACTED] by NEUC and that the same is and shall be free and clear of all taxes, liens and encumbrances. NEUC shall indemnify and save [REDACTED] harmless from any and all claims in respect of the title to natural gas delivered and sold by NEUC pursuant to this Agreement.


11. Force Majeure. To the extent, if any, that either Party is prevented, in whole or in part, from performing any of its obligations hereunder due to reasons of Force Majeure, such obligations (other than the obligation to make monetary payments as required under this Agreement) shall be suspended during the pendency of such event of Force Majeure. For the purpose of this Agreement, "Force Majeure" shall mean an event not anticipated as of the execution of this Agreement which is not within the reasonable control of the Party claiming suspension (the "Claiming Party"), and which by the exercise of due diligence the Claiming Party is unable to overcome or to obtain, or cause to be obtained, a commercially reasonable substitute therefor, and may include, but is not restricted to acts of God; act of public enemy; war; lightning; fire; violent storm; explosion; civil disturbance; public riot; labor dispute; environmental catastrophe; inability to obtain government permits, materials or similar events or occurrences; breakages of machinery or lines of pipe; labor shortage; sabotage; and action or restraint by public or governmental authority including without limitation the Kentucky Public Service Commission; change of law; and other events, whether enumerated above or not, which wholly or partially prevent the delivery, storage or sale of natural gas.

12. Security Assurances.

A. NEUC may require [REDACTED] to provide a letter of credit ("LOC") if it is late with any invoice payment. In that event, the LOC shall be in the amount of the highest monthly invoice for gas deliveries over the previous twelve (12) months.

B. NEUC may require [REDACTED] to provide a LOC if the monthly invoice becomes greater than [REDACTED] for two (2) consecutive months ("Base Period"). The amount of the LOC in this event shall be the average of the Base Period billings.

C. NEUC may require reasonable and proportionate increases in the LOC should monthly invoices average greater than currently anticipated.

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 9/6/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

13. Delivery Pressure. NEUC shall ensure that the gas delivered to the [REDACTED] has a pressure of at least twenty (20) psi.

14. Miscellaneous.

14.1. Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof;


14.2. Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as to reasonably effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision of this Agreement with a valid and enforceable provision.

14.3. Other Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

14.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each of the parties hereto agrees that process may be served upon them in any manner authorized by the laws of the Commonwealth of Kentucky for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction and such process.

14.5. Rules of Construction. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

14.6. Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 9/6/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

14.7. Attorney's Fees. Should either party to this Agreement prevail by a final unappealable judgment in any judicial or arbitral action to enforce any right under this Agreement, the non-prevailing party shall be liable to the prevailing party for the prevailing party's reasonable attorneys' fees.

14.8. Assignment. This Agreement may be assigned by either party with the written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed.

14.9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial delivery service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with acknowledgment of complete transmission) to the parties at the following address (or such other address for a party as shall be specified by like notice):

(a) If to NEUC:

Mr. Jay Freeman
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102
Telephone: 606-324-3920
Facsimile: 606-325-2991
Email: jay.freeman@kyneuc.com

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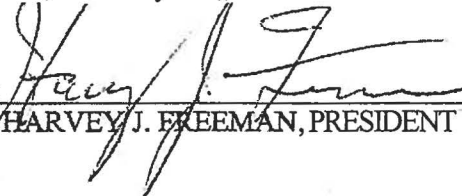
14.10. Billing: All invoices shall be sent to the following address:

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IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the day and year first above written.


NATURAL ENERGY UTILITY CORPORATION
2560 Hoods Creek Pike
Ashland, Kentucky 411,02

By: 
HARVEY J. FREEMAN, PRESIDENT



By:



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