

GAS SALES AGREEMENT

THIS AGREEMENT made this 19 day of August, 2019 by and between MID AMERICAN NATURAL RESOURCES, L.L.C., 558 West 6th St, Suite 300, Erie, PA 16507, hereinafter "Seller", and, WATTSBURG AREA SCHOOL DISTRICT, 10782 WATTSBURG RD., ERIE, PA 16509, hereinafter called "Buyer".

WITNESSETH:

WHEREAS, Seller is engaged in the business of marketing natural gas; and

WHEREAS, Buyer desires to purchase natural gas from and Seller desires to sell natural gas to Buyer in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the covenants and promises herein contained, the parties hereto agree as follows:

ARTICLE I Supply of Gas

Seller agrees to use its best efforts to supply that amount of natural gas that Buyer wishes to purchase. Buyer acknowledges that any usage that is less than 90% of contracted quantities or greater than 110% of Buyer's contracted quantities as outlined below for any one month may have to be purchased/sold on a spot basis and charged/credited to Buyer at a rate that is different than this agreement. Buyer agrees to purchase 100% of his natural gas needs from Seller.

SEP 19 – 202 DTH	OCT 19 – 393 DTH	NOV 19 – 958 DTH	DEC 19 - 1,326 DTH
JAN 20 – 1,734 DTH	FEB 20 – 1,270 DTH	MAR 20 – 1,291 DTH	APR 20 – 782 DTH
MAY 20 – 274 DTH	JUN 20 – 151 DTH	JUL 20 – 69 DTH	AUG 20 – 107 DTH
SEP 20 – 202 DTH	OCT 20 – 393 DTH	NOV 20 – 958 DTH	DEC 20 - 1,326 DTH
JAN 21 – 1,734 DTH	FEB 21 – 1,270 DTH	MAR 21 – 1,291 DTH	APR 21 – 782 DTH
MAY 21 – 274 DTH	JUN 21 – 151 DTH	JUL 21 – 69 DTH	AUG 21 – 107 DTH

ARTICLE II Force Majeure

(A) If either Buyer or Seller is rendered unable, wholly or in part, by force majeure to perform its obligations under this Agreement, it is agreed that performance of the respective obligations of the parties hereto to deliver and receive gas, so far as they are affected by such force majeure, shall be suspended from the inception of any such inability until it is corrected. The party claiming such inability shall give notice thereof to the other party as soon as practicable after the occurrence of the force majeure. If such notice is first given by telephone or radio communication, it shall be confirmed promptly in writing giving full particulars. The party claiming such inability shall promptly correct, or cause to be corrected, such inability to the extent it may be corrected, through the exercise of reasonable diligence.

(B) Neither party shall be liable to the other for any direct or indirect losses or damages, regardless of the nature thereof and howsoever attributable to the suspension of performance of any obligation of either party to the extent that such suspension occurs because a party is rendered unable, wholly or in part, by force majeure to perform its obligations.

(C) The term "force majeure" as used herein shall mean any occurrence, condition, situation or threat thereof which renders either party unable to perform, its obligations hereunder, provided that such occurrence, situation or threat thereof is not under or within the control of the party claiming such inability, and provided such party could not have prevented such occurrence, condition, situation or threat thereof, by exercise of reasonable diligence. The term "force majeure" as used herein shall include, without limitation, the following, insofar as same shall directly or indirectly contribute to, or result in, either party's inability to perform its obligations hereunder: (1) Acts of God or Acts of Providence; (2) Acts of Government; (3) Acts of Civil Disorder; (4) Acts of Industrial Disorder, including without limitation, strikes, lockouts, and picketing, provided, however, that settlement of any labor dispute shall be at the sole discretion of the party hereunder involved in such labor dispute. Requirements that any inability shall be corrected with reasonable diligence and shall have been incapable of prevention by exercise of reasonable diligence, shall not apply to acts of industrial disorder, strikes, lockouts, or picketing; (5) Failures of facilities including, without limitation, freezing of wells, lines of pipe, or any other facilities, failures resulting from fires, washouts, mechanical breakdowns of, malfunctions of, or necessity of making repairs or alterations to, plant, installations, machinery, lines of pipe, pumps, measuring equipment, compressors, valves, gauges or any of the equipment therein or thereon, or any other facilities, blowout, or failure of any well or wells to produce.

ARTICLE III

Gas Quality

Seller's gas shall meet the minimum requirements of National Fuel Gas Distribution Co.

ARTICLE IV

Price and Payment Terms

Buyer shall pay Seller for each dekatherm of gas (Dkth) delivered to Buyer's local distribution company, the monthly NYMEX settle plus \$0.25 for the months of September 2019 through August 2021, which is the applicable "basis" for the term of this agreement. Buyer shall have full trigger rights for any portion of the term. Once Buyer has chosen to trigger a price, the triggered volumes will be firm deliveries. Buyer agrees to pay Seller no later than the 25th of the month for all gas delivered to Buyer's account during the previous month.

ARTICLE V

Financial Terms

If MANR has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by Buyer (including, without limitation, the occurrence of a material change in the creditworthiness of WATTSBURG AREA SCHOOL DISTRICT or its Guarantor, if applicable), MANR may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to MANR, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Buyer hereby grants to MANR a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Buyer to MANR pursuant to this Section. Upon the return by MANR to Buyer of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

ARTICLE VI

Delivery

Seller shall deliver natural gas hereunder to Buyer at the designated National Fuel Distribution Co. delivery point. Title to said gas shall pass to Buyer at said delivery point. The Buyer shall pay any and all charges incurred by the delivery of this gas, such as L.D.C. transportation charges, line loss, or taxes of any nature.

ARTICLE VII

Measurement

All gas delivered by Seller to Buyer shall be measured by the local distribution company and accepted as reported by both parties.

ARTICLE VIII

Warranty of Title

Seller warrants the title to all gas delivered to Buyer under this agreement and shall indemnify and save harmless Buyer from all suits, actions, accounts, costs, losses and expenses, including attorneys' fees, arising from or connected with the adverse claim of any person to the gas received, transported or delivered hereunder.

ARTICLE IX

Term

This agreement shall be effective as of September 1, 2019 and will continue for a period of twenty-four (24) months.

ARTICLE X

Taxes

It is understood by both parties that gas herein in being purchased by Buyer and that the above quoted price does not include sales, gross receipts, or import tax (if applicable) and that Buyer agrees to pay any sales tax due as a result of this transaction (or supply a valid tax exempt form) or any other tax that is now in effect, is put into effect, or is deemed to applicable by a state or federal agency.

ARTICLE XI

Government Regulation

This agreement, insofar as it is affected thereby, shall be subject to all present and future, valid and applicable laws and to the valid, applicable, present and future rules and regulations and orders of any regulatory agency or authority. Such rules, orders and regulations shall include those of the Pennsylvania Public Utility Commission, as well as any other agencies or duly constituted authorities having jurisdiction.

ARTICLE XII
Miscellaneous Provisions

12.01 This agreement is binding upon and will inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Agreement shall run for the full term of this Agreement. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party which consent will not be unreasonably withheld or delayed: provided, either party may transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any transfer and assumption, the transferor shall not be relieved of or discharged from any obligations hereunder.

12.02 This agreement sets forth the entire understanding of the parties and no modification of its terms and provisions shall be or become effective except as set forth and confirmed in writing by the parties hereto.

12.03 No waiver by any party of any one or more defaults by the other in performance of any provisions of this agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.

12.04 This agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

12.05 Mid American's PA PUC Natural gas license number is A-2009-2090931.

12.06 Any invoices to Buyer not paid in full by the 25th of the month as required above in Article IV shall accrue a 1.5% service charge per month on the unpaid balance until paid in full.

12.07 Buyer's failure to make timely payments on these invoices as required above in Article IV shall entitle Seller to discontinue providing gas to Buyer.

12.08 In the event of buyer's default in payment of any obligations hereunder, Buyer shall be responsible for Seller's attorney's fees and court costs incurred in enforcing its rights under this Agreement. No such fees or costs shall become the responsibility of Buyer, however, unless a ten (10) day written notice of demand has been delivered to Buyer by certified mail or hand delivery.

13.0 Contact Information

<p><u>Mid American Natural Resources, L.L.C.</u> 558 West 6th St., Suite 300 Erie, PA 16507 (814) 455-2761 email: info@manrenergy.com</p>	<p><u>National Fuel Gas Distribution Corp.</u> 6363 Main Street Williamsville, NY 14221-5887 In case of a gas emergency, you may call NFG at 800-634-5440</p>	<p><u>Public Utility Commission (PUC)</u> P.O. Box 3265 Harrisburg, PA 17105-3265 Website: http://puc.paonline.com</p>
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IN WITNESS WHEREOF, and intending to be legally bound, Buyer and Seller have caused this Agreement to be properly executed this 19 day of August 2019.

Wattsburg Area School District

Buyer

By _____

Business Administrator

Title

Date

Mid American Natural Resources, L.L.C.

Seller

By _____

Title

Date