



**TERM SHEET FOR POWER PURCHASE AGREEMENTS (“PPA”)
FOR 16,000 KW AND 33,000 KW REFUSE-DERIVED FUEL AND PETROLEUM COKE-
FIRED
ELECTRIC GENERATING FACILITIES**

Term and Condition

Description

Note: This Term Sheet contains the principal terms and conditions for two Power Purchase Agreements between Virgin Islands Water and Power Authority and affiliates of Alpine Energy Group. Except for terms noted in brackets, the agreements contain identical terms.

I. General

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| Seller | An affiliate of Alpine Energy Group, LLC - [AEG Bovoni Power LLC – St. Thomas] [AEG Anguilla Power LLC – St. Croix] |
| Buyer | Virgin Islands Water and Power Authority (“ <u>WAPA</u> ”) |
| Scope of Agreement | Seller will design, construct and operate the Facilities and will sell the electric output of the Facilities (“ <u>Electric Energy</u> ”) to WAPA and WAPA will provide Pet Coke and supplemental fuels, if any, to Seller during the contract term. |
| Facilities | <p>A 33,000 kW refuse-derived fuel (“<u>RDF</u>”) and petroleum coke (“<u>Pet Coke</u>”)-fired facility located on the southeast side of the island of St. Thomas (“<u>STT</u>”), U.S. Virgin Islands (“<u>USVI</u>”) (the “<u>Bovoni Facility</u>”) and a 16,000 kW RDF and Pet Coke-fired facility located on the Martin Marietta Channel of the island of St. Croix (“<u>STX</u>”), USVI (the “<u>Anguilla Facility</u>”).</p> <p>Preliminary design specifications for the Facilities are set forth in <u>Exhibit A</u> to each PPA. Subject to certain exceptions in <u>Exhibit A</u>, the design specifications will not be changed by Seller without WAPA’s written consent.</p> |
| Term <i>(PPA Sections 2.1-2.2)</i> | 20 years from the Commercial Operation Date. WAPA will have the right to extend each PPA for a single renewal term of 5 years upon notice to Seller given not less than one year prior to the expiration of the initial term. |
| Conditions Precedent <i>(PPA Section 2.3)</i> | <p>The Parties’ obligations under each PPA will be subject to:</p> <p>(a) USVI Public Services Commission approval of the PPA and the Interconnection Agreement (the “<u>IA</u>”) within 90 days of the execution of the PPA (the “<u>Contract</u>”</p> |

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Date”);

(b) Seller entering into a Solid Waste Management Service Contract (the “Service Contract”), with Virgin Islands Waste Management Authority (“VIWMA”);

(c) The Service Contract remaining in full force and effect through the financial closing date (other than for a material breach or default by either party thereto);

(d) Seller obtaining all Permits and Approvals necessary to commence construction of the Facility by December 15, 2010;

(e) WAPA’s credit rating on its senior unsecured bonds remaining above investment grade rating; and

(f) The estimated cost of the Dock Facilities or the Site acquisition and preparation is less than the cap set forth in the PPA, or WAPA agrees to pay 50% of the costs in excess of such cap within 30 days of Seller giving WAPA notice of an estimate of such excess, unless Seller elects to pay for such excess. The estimate for the cost of the Dock Facilities and the Site acquisition and preparation shall be given to WAPA no later than 180 days after the Contract Date;

If any of conditions (a), (b), (c), or (d) do not occur, WAPA may terminate the applicable PPA. If conditions (a), (b), (e), or (f) do not occur, Seller may terminate the applicable PPA. Upon any such termination, neither Party shall have any further liability to the other Party and WAPA shall return the Construction Security and Additional Security (defined below), if any, to Seller.

II. Development and Commercial Operation

Milestones

(PPA Section 3.4 / Schedule 4)

Seller is required to meet a series of development and construction milestones by certain dates specified in the PPAs (“Milestone Dates”) to establish Seller’s progress in developing and permitting the Facilities prior to financial closing and constructing the Facilities thereafter. Such milestones include:

(a) Application by Seller for all Permits and Approvals necessary for construction of the Facilities;

(b) Completion by Seller of Phase 1 and Phase 2 Environmental Investigations;

(c) Seller entering into all major contracts for the design and construction of the Facilities;

(d) Seller obtaining all Permits and Approvals for the

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Facilities;

(e) Seller obtaining necessary insurance for the Facilities;

(f) Seller achieving financial closing;

(g) Seller issuing a notice to proceed to the construction contractor to commence construction on the Facilities; and

(h) The Facilities achieving initial synchronization with WAPA’s electric system.

Commercial Operation Date
(PPA Section 3.3 / Schedule 3)

The date when each Facility is fully capable of reliably producing and delivering Electric Energy. Each Facility will achieve the Commercial Operation date when it achieves the conditions set forth in the PPAs, including:

(a) Seller has acquired legal title to, or a valid leasehold interest in the Site;

(b) completion of 4 successful start-ups without any abnormal operating conditions;

(c) the Facility has met the requirements for automatic generation control, has achieved initial synchronization with WAPA’s electric system and has demonstrated the reliability of its communications system and communications with WAPA’s system scheduling coordinator;

(d) the Facility, including the Dock Facilities and unless the Service Contract has already been terminated, the RDF Facility has been completed in all material respects (excluding punch list items that do not materially affect the ability of the Facility to operate) in accordance with the PPA;

(e) the Interconnection Facilities have been completed and the Facility has been interconnected to WAPA’s electric system in accordance with the IA;

(f) the Initial Performance Test has been successfully completed and the Facility output is not less than the Minimum Output;

(g) Seller has provided WAPA with the Performance Security;

(h) Seller is obligated under and in compliance with the IA;

(i) the Facility has achieved “acceptance” under the Service Contract, the Service Contract is in full force and effect and RDF is available under the Service Contract for combustion at the Facilities, except to the extent Seller is unable to produce RDF due to a failure by VIWMA to

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meet its obligations under the Service Contract to provide Seller with municipal solid waste feedstock for the production of RDF ; and

(j) Seller has provided WAPA with an officer’s certificate stating that all Permits and Approvals to construct and operate the Facility have been obtained and are in full force and that Seller is in compliance with the PPA.

Guaranteed Commercial Operation Date

(PPA Section 3.4)

Seller guarantees that each Facility will achieve the Commercial Operation Date by the date 42 months after the Contract Date, subject to extensions for Uncontrollable Circumstances, WAPA delay, or the payment by Seller of Delay Liquidated Damages, as described below.

Delay Liquidated Damages

(PPA Section 3.4)

If Seller is unable to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date or any other Milestone Date, unless due to Uncontrollable Circumstances or WAPA delay, Seller will pay WAPA delay liquidated damages on a graduated scale from \$5,000 to \$30,000 per day, for up to 270 days of delay, with only 180 days of delay allowed prior to financial closing and the difference between 270 days and the number of days used prior to financial closing allowed between financial closing and the Commercial Operation Date.

If Seller is unable to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date or any other Milestone Date due to an Uncontrollable Circumstance and such Uncontrollable Circumstance continues for a period of 12 months uninterrupted, after the 12 month period, Seller, at its option, may pay WAPA delay liquidated damages to extend such Milestone Date or the Guaranteed Commercial Operation Date, up to the limits set forth above. If Seller is unable to get certain specified permits and approvals due to an Uncontrollable Circumstance and such Uncontrollable Circumstance continues for 12 months uninterrupted, Seller at its option may either (1) pay WAPA liquidated damages, up to the limits above, or (2) terminate the PPA by 30 days notice to WAPA.

Commercial Operation Deadline

(PPA Section 3.4)

Seller will cause each Facility to achieve the Commercial Operation Date by no later than November 15, 2013, unless: (i) the “placed in service” date for the grant in lieu of the Investment Tax Credit is extended, in which case, the Commercial Operation Date will be extended to 45 days prior to such date, or the earlier of the otherwise

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applicable Guaranteed Commercial Operation Date (as otherwise extended under the applicable PPA), or (ii) WAPA fails to perform its obligations under the applicable PPA or IA in a timely manner, in which case, the Commercial Operation Deadline will be extended for such period of time as reasonably may be required as a consequence of such failure.

Initial Performance Test
(PPA Sections 6.1-6.2)

Prior to the Commercial Operation Date, the electrical output of each Facility will be tested. To be successful, the tested output must be 80% (the "Minimum Output") of [33,000kW-STT][16,000kW-STX] (the "Expected Output")

If either Facility fails to achieve the Expected Output, Seller will pay WAPA liquidated damages equal to \$1,000.00 per kW that the tested output is less than the Expected Output. Upon payment of the liquidated damages, the Guaranteed Semi-Annual Output and the Minimum Semi-Annual Dispatch for the applicable Facility will be adjusted proportionately.

Heat Rate Test and Liquidated Damages
(PPA Section 6.3)

As part of the Initial Performance Test, Seller shall test the heat rate of the Facilities. If the initial Heat Rate Test demonstrates that the tested heat rate curves of either Facility is higher at any one or more load points than the Maximum Heat Rate curves in Exhibit C of the PPAs, then on or before the Commercial Operation Date, Seller shall pay WAPA liquidated damages set forth in Schedule 9 of the PPAs, intended to compensate WAPA for incremental Pet Coke costs WAPA will incur over the term of the PPA due to higher-than-expected heat rate.

III. Purchase and Sale of Electric Energy

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Guaranteed Semi-Annual Output
(PPA Section 4.6 / Schedule 5)

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Subject to certain exceptions set forth in the PPAs and described below, Seller agrees to provide a minimum energy output from the Facilities equal to the following:

Non-Major Overhaul Years (21 Days of Scheduled Maintenance)

| On-Peak Hours | Off-Peak Hours | Total |
|-------------------|-------------------|--------------------|
| | [St. Thomas] | |
| 63,450,000 kWh | 50,242,000 kWh | 113,692,000 kWh |
| | [St. Croix] | |
| 28,458,000 kWh | 17,365,000 kWh | 45,823,000 kWh |

Major Overhaul Years (56 Days of Scheduled Maintenance)

| On-Peak Hours | Off-Peak Hours | Total |
|-------------------|-------------------|--------------------|
| | [St. Thomas] | |
| 56,994,331 kWh | 45,130,169 kWh | 102,124,500 kWh |
| | [St. Croix] | |
| 25,562,564 kWh | 15,598,212 kWh | 41,160,776 kWh |

If Seller fails to schedule or produce the Guaranteed Semi-Annual Output, and such failure is not excused by the terms and conditions of the PPAs, Seller will pay WAPA shortfall liquidated damages in an amount equal to \$0.02 (increased each anniversary of the Commercial Operation Date by 4% per annum) per kWh for each kWh of shortfall of Electric Energy produced by Seller.

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Minimum Semi-Annual Dispatch
(PPA Section 4.6 / Schedule 5)

Description

Subject to certain exceptions set forth in the PPAs and described below, WAPA agrees to dispatch a minimum energy output from the Facilities equal to the following:

Non-Major Overhaul Years (21 Days of Scheduled Maintenance)

| On-Peak Hours | Off-Peak Hours | Total |
|-------------------|-------------------|--------------------|
| | [St. Thomas] | |
| 63,450,000 kWh | 50,242,000 kWh | 113,692,000 kWh |
| | [St. Croix] | |
| 28,458,000 kWh | 17,365,000 kWh | 45,823,000 kWh |

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| 56,994,331 kWh | 45,130,169 kWh | 102,124,500 kWh |
| | [St. Croix] | |
| 25,562,564 kWh | 15,598,212 kWh | 41,160,776 kWh |

If WAPA fails to dispatch the Minimum Semi-Annual Dispatch, and such failure is not excused by the terms and conditions of the PPAs, WAPA will pay Seller shortfall liquidated damages in an amount equal to (i) the Electric Energy Charge for such period for each kWh of shortfall of Electric Energy dispatched by WAPA, plus (ii) the incremental costs, up to \$250,000 per year, incurred by Seller to produce, store or sell transfer or dispose of RDF or Supplemental Fuels, if required by the Service Contract or other fuel supply contracts.

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| Test Energy <i>(PPA Section 3.10)</i> | WAPA will purchase the Electric Energy produced by the Facilities during startup and initial testing of the Facilities at a rate equal to 50% of the Electric Energy Charge. |
| Electric Energy Charge <i>(PPA Section 4.2 / Schedule 2)</i> | WAPA will pay Seller for all Electric Energy produced by the Facilities, during each On-Peak and Off-Peak Hour, at a rate (the “ <u>Electric Energy Charge</u> ”), as set forth on <u>Schedule 2</u> of the PPAs, minus the Delivered Cost of Pet Coke used at the Facilities to produce steam and electricity at the Facilities for the processing, production, or handling of MSW or RDF. |
| Excess Energy <i>(PPA Section 4.3)</i> | For any Electric Energy dispatched by WAPA and delivered by Seller in excess of the Minimum Semi-Annual Dispatch, WAPA will pay Seller 70% of the applicable Electric Energy Charge for On-Peak or Off-Peak Hours, during such period. |
| Scheduling and Dispatch <i>(PPA Sections 4.6-4.7)</i> | <p>Subject to the Minimum Semi-Annual Dispatch, WAPA will have the right to determine the economic and operational dispatch control of each Facility, and will not be obligated to dispatch or accept any Electric Energy from the applicable Facility if:</p> <ul style="list-style-type: none"> (i) WAPA has transmission constraints; (ii) WAPA is unable to or delays providing Pet Coke to the Facilities; (iii) there is a WAPA Electric System Emergency not caused by Seller; (iv) there is a WAPA Electric System Emergency caused by Seller; (v) the Facility does not comply with the specifications for power quality and protection of WAPA’s Electric System set forth in the PPA and the IA; (vi) the Facility is unavailable due to a Scheduled Maintenance Outage or a forced outage; (vii) WAPA has an Uncontrollable Circumstance; or (viii) Seller has an Uncontrollable Circumstance <p>Seller will be excused from scheduling the Facility or producing energy for events (i), (ii), (iii), (vii), or (viii)</p> <p>WAPA will be excused from its Minimum Semi-Annual</p> |

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| | Dispatch obligation from the Facility for events (iv), (v), (vi), (vii), or (viii) |
| Title and Risk of Loss <i>(PPA Section 4.8)</i> | Title, risk of loss, and control of the Electric Energy will transfer from Seller to WAPA at the Delivery Point. |
| Exclusivity <i>(PPA Section 4.9)</i> | Seller will not sell any electric capacity, electric energy or any other products or services generated or produced at the Facilities to any person other than WAPA, except for any ash, recyclable materials or byproducts of its processing RDF. |
| Taxes <i>(PPA Article 17)</i> | Seller will be solely responsible for and will pay any and all taxes relating to the generation or sale of electricity or the ownership or operation of the Facilities. |

IV. Adjustments to Electric Energy Charge

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| Cost of Dock Facilities <i>(PPA Section 4.11)</i> | <p>Seller will be responsible for the cost of the development, design, permitting, engineering, procurement construction, installation and completion of the Dock Facilities. The Dock Facilities are estimated to cost Seller [\$8,000,000-STT][\$1,000,000- STX] (the “<u>Dock Estimate</u>”). The Dock Estimate is reflected in the Electric Energy Charge.</p> <p>If Seller’s actual costs for the Dock Facilities are lower than the Dock Estimate, Seller will pay WAPA the difference between the Dock Estimate and the actual costs on or before the Commercial Operation Date.</p> <p>If Seller’s actual costs for the Dock Facilities are projected to exceed [\$10,000,000-STT] [\$3,000,000-STX], Seller may request WAPA to share up to 50% of such excess by providing WAPA with an updated estimate of the cost of the Dock Facility, such estimate to be provided no later than 180 days after the Contract Date. If WAPA elects to share in any such excess, or if the estimate for the Dock Facilities is less than [\$10,000,000-STT] [\$3,000,000-STX], the estimate shall be the “<u>Dock Cap</u>”. To the extent Seller’s costs for the Dock Facilities exceed the Dock Estimate, but are less than the Dock Cap, WAPA will reimburse Seller for such 50% of such excess plus interest at 8% through adjustments to the monthly invoices over the first 36 months after the Commercial Operation Date. If after 30 days from the request by Seller, WAPA declines or the Parties are otherwise unable to agree in writing to share the excess cost of the Dock Facilities, Seller may terminate the PPA for the applicable Facility with no further liability. To the extent that</p> |
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Cost of Site Acquisition and Preparation
(PPA Section 4.11)

Seller's costs for the Dock Facilities exceed the Dock Cap, the excess will be borne solely by Seller.

Seller will be responsible for the cost of acquiring and preparing each Site for use in connection with the Facilities. The Site preparation and acquisition is expected to cost Seller [\$5,000,000-STT] [\$3,000,000-STX] (the "Site Estimate"). The Site Estimate is reflected in the Electric Energy Charge.

If Seller's actual costs for the Site are lower than the Site Estimate, Seller will pay WAPA the difference between the Site Estimate and the actual costs on or before the Commercial Operation Date

If Seller's actual costs for the Site are projected to exceed [\$7,000,000-STT] [\$5,000,000-STX], Seller may request WAPA to share up to 50% of such excess by providing WAPA with an updated estimate of the cost of the Dock Facility, such request to be made no later than 180 days after the Contract Date. If WAPA elects to share in any such excess, or if the estimate for the Site is less than [\$7,000,000-STT] [\$5,000,000-STX], the estimate shall be the "Site Cap". To the extent Seller's costs for the Site exceed \$5,000,000, on either island, but are less than the Site Cap, WAPA will reimburse Seller for 50% of such excess plus interest at 8% through adjustments to the monthly invoices over the first 36 months after the Commercial Operation Date. If after 30 days from the request by Seller, WAPA declines or the Parties are otherwise unable to agree in writing to share the excess cost of the Site, Seller may terminate the PPA for the applicable Facility with no further liability. To the extent Seller's costs for the Site exceed the Site Cap, they shall be borne solely by Seller.

Cost of Interconnection
(PPA Section 4.11)

If the cost of the development, design, permitting, engineering, procurement, construction, installation, completion and testing of WAPA's Interconnection Facilities and System Upgrade Facilities exceed the cost estimate in the IAs, WAPA shall reimburse Seller for such excess, up to \$15,000,000 for each island, as described in Section V below.

Governmental Incentives
(PPA Section 4.10)

WAPA will receive 90% of any incentive or credit from any governmental authority, including Production Tax Credits ("PTCs"), Investment Tax Credits ("ITC"), or grants in lieu thereof under the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act") that is made available to either Facility, and Seller will receive

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the remaining 10%. Seller will use commercially reasonable efforts to cause the Facilities to qualify for the grant in lieu of the ITC. The respective allocations of such incentive will be net of any transaction costs to secure and utilize the incentive and the net present value cost of any incremental change in taxes or other costs as a result of such Governmental Incentive.

Seller will pay WAPA its share of any Governmental Incentive as a lump sum payment.

The allocation of Governmental Incentives between Seller and its affiliates and WAPA will be memorialized in the PPAs and two separate Letter Agreements, each among WAPA, Sellers on each island and Seller's equity investor, to be entered into contemporaneously with the PPAs.

Renewable Energy Credits
(PPA Section 8.7)

WAPA will own any renewable energy credits, carbon offsets, environmental credits, or similar benefits attributable to the Facilities except for any landfill diversion credits that derive their value principally from the diversion of MSW from VIWMA's landfills.

Change in Law
(PPA Section 12.5)

If a carbon regulatory regime or other environmental change in law becomes applicable to either Facility which requires either (i) a capital modification or improvement to either Facility in excess of \$2,500,000 or (ii) operational change(s) at either Facility in excess of \$150,000 per year (each limit to apply separately to a carbon regulatory scheme or other change in law), unless otherwise agreed by the Parties, WAPA will bear the annual amount of such excess cost (in the case of capital modifications or improvements, amortized at a 6% discount rate) and net of any savings associated with such change in law, up to the annual cost WAPA would have incurred at its own similar power generation facilities from such change in law, if it had to comply with the change in law ("WAPA's Cost of Compliance"), and thereafter, each Party will bear one-half of the excess annual cost, up to \$250,000 per Party per Facility, per year, and any remaining excess will be borne solely by WAPA. If there are any savings associated with the change in law, WAPA will receive 100% of such annual savings, amortized at a 6% discount rate, up to WAPA's Cost of Compliance and thereafter, the Parties will share any savings, up to \$250,000 per Party per Facility, per year, and any remaining savings will be solely for the benefit of WAPA. Any costs or savings associated with a Change in Law will be allocated via adjusted to the

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Electric Energy Charge and the Excess Energy Charge.

If during any year, the annual costs to WAPA for a change in law exceeds 10% of the Termination Amount during any of the first 10 years from the Contract Date or 15% thereafter and the Parties cannot agree up an allocation of the costs of the Change in Law within 60 days, WAPA may purchase the applicable Facility and Seller’s Interconnection Facilities at the fair market value, as described on Schedule 16 of the PPAs.

V. Interconnection

Interconnection

(PPA Sections 7.1 / 7.3)

The Facilities will interconnect electrically to WAPA’s electrical system under a separate Interconnection Agreement for each Facility, to be entered into contemporaneously with the PPAs.

The Facilities will interconnect to WAPA’s electrical system [at the vault in the 34.5kV switching substation to be built on St. Thomas][at the bay at the Bethlehem substation to be constructed on St. Croix] (the “Delivery Point”)

Seller, at its expense, will maintain and operate Seller’s Interconnection Facilities. WAPA, at Seller’s expense, will maintain WAPA’s Interconnection Facilities.

Delivery Point

(IA Exhibit B)

A point on the high side of the step-up transformer included in the interconnection facilities

WAPA’s Interconnection Facilities

The facilities necessary to connect WAPA’s electric system to Seller’s Interconnection Facilities for the purpose of electrically interconnecting the Facilities.

System Upgrade Facilities

The equipment and facilities beyond the Delivery Point, to be incorporated into WAPA’s electric system to operate reliably and safely after the electrical interconnection of the Facilities.

Seller’s Interconnection Facilities

The equipment necessary to interconnect the Facilities to WAPA’s Interconnection Facilities.

Cost of Interconnection

(PPA Section 4.11)

Seller will be responsible for the cost of the development, design, permitting, engineering, procurement, construction, installation, completion and testing of WAPA’s Interconnection Facilities and System Upgrade Facilities, up to [\$5,895,540 for STT][\$11,587,643 for STX] (the “Interconnection Estimate”). The Interconnection Estimate is reflected in the Electric

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Energy Charge.

If the actual costs for WAPA’s Interconnection Facilities and System Upgrade Facilities are lower than the Interconnection Estimate, Seller will pay WAPA the difference between the Interconnection Estimate and the actual costs on or before the Commercial Operation Date.

If the actual costs for WAPA’s Interconnection Facilities and System Upgrade Facilities for each Facility exceed the Interconnection Estimate, Seller will pay for any such excess up to \$15,000,000, per Facility, and WAPA will reimburse Seller for such excess plus 8% interest through adjustments to the monthly invoices over the first 36 months after the Commercial Operation Date. Any costs in excess of \$15,000,000 for WAPA’s Interconnection Facilities and System Upgrade Facilities will be borne directly by WAPA.

VI. Operation and Maintenance of the Facilities

RDF Fuel

(PPA Sections 3.1 / 4.13)

Seller, at its sole cost and expense, will produce at the Facilities, or will arrange, procure, transport and deliver or cause to be transported and delivered, RDF fuel sufficient to meet Seller’s obligations under the PPAs. Seller expects to receive the feedstock for the production of RDF fuel under the Service Contract with VIWMA. It is estimated that Seller will have to utilize 150 tons of RDF fuel per day, per Facility, to meet its obligations.

If Seller is unable to obtain the permits required to utilize 150 tons per day of RDF fuel at each Facility, Seller will attempt to obtain permits to allow it to utilize a minimum 50 tons of RDF fuel per day at the Bovoni Facility and a minimum of 250 tons of RDF fuel per day at the Anguilla Facility. Seller will be responsible for the costs, if any, of transporting RDF fuel of any feedstock between the Bovoni Facility and the Anguilla Facility.

Seller will use commercially reasonable efforts to obtain additional RDF or other fuels, for combustion at the Facilities, such as tire derived fuel, sewage treatment sludge, woody biomass, waste oil, rum bottoms, and other waste materials (“Supplemental Fuels”).

Pet Coke Fuel

(PPA Section 4.13)

WAPA, at its sole cost and expense, will be responsible for arranging, procuring, transporting and delivering the Pet Coke required for the Facilities to produce the Minimum Semi-Annual Output. The Pet Coke requirements will be measured by subtracting the expected RDF Fuel heat input from the total heat input

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required to produce the Minimum Semi-Annual Output at the Facilities.

Upon delivery to the Facilities, Seller will be responsible for unloading, handling and storage of the Pet Coke fuel. Samples of the Pet Coke delivered to the Facilities will be sent to an independent laboratory to be tested for consistency with the specifications set forth on Schedule 7 of the PPAs. If the Pet Coke does not conform to the Pet Coke specifications, Seller may reject the shipment of Pet Coke. However, upon WAPA’s written request, Seller shall use commercially reasonable effort to accept and utilize non-conforming Pet Coke and the Electric Energy Charge will be adjusted to account for any costs incurred by Seller as a result of accepting such non-conforming Pet Coke

Upon Seller’s request, WAPA will supply Pet Coke to the Facilities during the testing and the commissioning of the Facilities.

Upon WAPA’s written request, Seller will administer WAPA’s fuel contracts for the supply of Pet Coke or other supplemental fuels. Such administration will include scheduling deliveries, reconciling invoices and coordinating with suppliers during Facility outages.

Guaranteed Primary Fuel Heat Input
(PPA Sections 4.5 / 4.13)

Seller shall provide 93,750,000 Btu/hr of heat input to each Facility from RDF Fuel or Supplemental Fuels (“Primary Fuels”).

If the Service Contract is terminated for VIWMA default, Seller shall provide 9,375,000 Btu/hr of heat input to each Facility, and WAPA shall be obligated to replace the fuel shortfall by providing additional Pet Coke, up to the amount necessary to meet WAPA’s Minimum Semi-Annual Dispatch.

Heat Rate Tracking
(PPA Section 4.5)

If Seller fails to provide the Guaranteed Primary Fuel Heat Input, as measured at the Facilities, Seller shall pay WAPA the delivered cost of Pet Coke on a Btu for Btu basis, to replace the shortfall from Primary Fuels.

If Seller provides Primary Fuel heat input in excess of 109,500,000 Btu/hr at either Facility, WAPA will pay Seller 50% of the delivered cost of Pet Coke that would otherwise have been purchased by WAPA to fuel the applicable Facility.

If the Service Contract at either Facility is terminated for VIWMA default and Seller provides Primary Fuel heat input in excess of the Guaranteed Primary Fuel Heat

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| | <p>Input, WAPA shall pay Seller (i) 50% of the net amount of the delivered cost of Pet Coke that would otherwise have been purchased by WAPA to fuel the Facilities; minus (ii) 50% of the difference between (A) any tipping fees and other revenues received by Seller with respect to the collection of any Primary Fuels; and (B) the incremental costs incurred by Seller in acquiring, transporting handling or processing such Primary Fuels.</p> |
| <p>RDF Processing Credit <i>(PPA Section 4.14 & Schedule 10)</i></p> | <p>WAPA shall receive a credit for the Delivered Cost of Pet Coke used in each Billing Period to produce steam and electricity at each Facility used for processing or handling of MSW or the processing, production or handling of RDF.</p> <p>The RDF Processing Credit shall be calculated using the methodology set forth on <u>Schedule 10</u> of the PPAs.</p> |
| <p>Metering <i>(PPA Sections 9.1-9.2 & Schedule 6)</i></p> | <p>Electric Energy delivered from the Facilities will be metered at the Delivery Point by WAPA. WAPA, as part of WAPA’s Interconnection Facilities, will install and maintain the metering devices.</p> |
| <p>Invoicing <i>(PPA Sections 5.2-5.3)</i></p> | <p>Promptly following the end of each Billing Period, Seller will deliver to WAPA an invoice (the “<u>Invoice</u>”) for the Electric Energy dispatched by WAPA and delivered by Seller to the Delivery Point. Seller will provide WAPA with any reasonable supporting documentation for the Invoice.</p> <p>WAPA will pay Seller within 30 days of receipt of the Invoice, except to the extent of any bona fide dispute.</p> |
| <p>Annual Performance Test <i>(PPA Section 6.4)</i></p> | <p>Every WAPA fiscal year after the Commercial Operation Date, Seller will test the electrical output of each Facility. If the tested output is lower than the lesser of (i) [33,000kW-STT] [16,000kW-STX] or (ii) 97% of the tested output in the Initial Performance Test, Seller will pay WAPA liquidated damages equal to \$75 per kWh that the tested output is less than the lower of the measures above.</p> |
| <p>Annual Heat Rate Test <i>(PPA Section 6.4)</i></p> | <p>Every WAPA fiscal year after the Commercial Operation Date, Seller shall test the heat rate of the Facilities, using 100% Pet Coke Fuel. If degradation in the heat rate of the Facilities varies from the values set forth in Part II of <u>Schedule 9</u> of the PPAs, the invoices for the following 12 months shall be adjusted up or down as set forth in <u>Schedule 9</u> of the PPAs.</p> |

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Scheduled Maintenance

(PPA Section 8.1)

At least 60 days prior to the Commercial Operation Date and at least 60 days prior to the end of each WAPA fiscal year thereafter during the Contract Term, Seller will provide WAPA with its Scheduled Maintenance Outages, performance tests and the expected operating schedule of each Facility for the succeeding fiscal year.

For any major overhauls of either Facility, including overhauls to either Facility's steam turbine and generator, the Parties will negotiate, in good faith, for a mutually acceptable schedule for such overhaul and in any case, Seller will notify WAPA of such overhaul at least two years in advance of such overhaul.

If Seller needs to reschedule any Schedule Maintenance Outage or Performance Test, it will do so only with WAPA's prior written approval.

VII. Security

Construction Security

(PPA Section 3.11)

Seller shall provide to WAPA a non-replenishable letter of credit on the Contract Date in the amount of \$500,000 for each Facility to secure Seller's obligations to meet the Milestones and to pay any delay liquidated damages for a failure to meet the Milestones. Upon approval of the PPAs and the IAs by the U.S. Virgin Islands Public Services Commission ("PSC"), the Construction Security will increase to an aggregate amount of \$2,000,000 for each Facility. On the Closing Date, the Construction Security will increase to [\$10,000,000 for the Bovoni Facility] [\$8,000,000 for the Anguilla Facility].

Performance Security

(PPA Section 5.5)

On or prior to the Commercial Operation Date, Seller shall provide to WAPA a letter of credit in the amount of \$10,000,000 for each Facility to secure Seller's performance under the PPAs. Seller will replenish the Performance Security within 15 days after any drawing thereon by WAPA.

Other Security

(PPA Section 3.12)

A subordinated security interest and mortgage lien in the Facilities and all real and personal property rights, contractual rights, permits and approvals or other rights required by Seller to construct or operate the Facilities, up to an amount approximating Seller's equity investment in each Facility.

Additional Security

(PPA Section 4.10)

Within 5 business days of the approval of the PPAs and the IAs by the PSC, Seller will provide WAPA with a non-replenishable letter of credit in the amount of \$3,000,000 for each Facility to secure Seller, EIF and

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Alpine’s obligations under the PPAs and the Letter Agreements. The Additional Security will remain in effect until the earlier of (a) 90 days after WAPA receives the final payment of any amounts due as a result of either facility receiving an ITC or a grant in lieu thereof or (b) 30 days after the Parties agree that the relevant facility is not entitled to an ITC or a grant in lieu thereof.

VIII. Default, Termination and Uncontrollable Circumstances

Uncontrollable Circumstances
(PPA Sections 12.1 / 12.3 / 12.4)

Neither Party will be liable to the other Party for failure to perform any obligation hereunder, except for payment obligations, when such failure is due an Uncontrollable Circumstance, which includes:

- (a) acts of God;
- (b) a Change in Law;
- (c) strikes (other than any strike targeted solely or primarily at the Party claiming the occurrence of the Uncontrollable Circumstance);
- (d) Seller’s inability or failure to obtain any specified Permits and Approvals; and
- (e) WAPA’s inability to obtain any Permits and Approvals.

Any of the following is not an Uncontrollable Circumstance:

- (a) equipment breakdown (or inability to use equipment);
- (b) Seller’s inability to obtain any Permits and Approvals (other than Specified Permits and Approvals);
- (c) any failure of any supplier to perform its obligations;
- (d) any event or circumstance arising from either Facility’s failure to meet its design specifications; and
- (e) any event or circumstance that the Facilities are designed to withstand.

If an Uncontrollable Circumstance continues uninterrupted for a period of 12 months, except in the case of damage by a hurricane, or if Seller pays WAPA any delay liquidated damages, the Party not claiming an Uncontrollable Circumstance may terminate the applicable PPA upon written notice to the other Party.

If the Uncontrollable Circumstance that would excuse performance under the PPAs is a hurricane, the affected

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party may, within 60 days, notify whether it will rebuild the affected facilities, at the affected Party's sole expense. If the affected Party does not elect to rebuild the affected facilities, or if such work is not completed by the 2nd anniversary of the hurricane, the other Party may terminate the applicable PPA upon written notice to the affected Party.

Upon any termination of either PPA for Uncontrollable Circumstances, neither Party will have any further liability to the other Party under such PPA.

Seller's Events of Default (PPA Section 13.1)

If any of the following events occur, WAPA may declare Seller in default under the PPA for the applicable Facility:

(i) the Facility's electrical output in any performance test fails to meet the Minimum Output and such failure is not cured within 19 months;

(ii) The availability of the Facility for operation over a 24 month period (not including Scheduled Maintenance Outages, Uncontrollable Circumstances and any outages caused by WAPA) is less than 75%, such measurement starting one year after the Commercial Operation Date;

(iii) Seller fails to schedule or fails to deliver, when dispatched by WAPA, over a 24 month period, at least 80% of the Guaranteed Semi-Annual Output, such measurement starting one year after the Commercial Operation Date;

(iv) Seller fails to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date, including any extensions of time for Uncontrollable Circumstances, WAPA delay, or delay liquidated damages;

(v) Seller fails to achieve the Commercial Operation Date by the Commercial Operation Deadline, other than because of a WAPA delay;

(vi) Seller fails to maintain, renew or replenish when required any letter of credit or other security for a period of 3 business days after Seller receives notice from WAPA of such failure;

(vii) Seller fails to maintain adequate insurance for three (3) business days after it receives notice of such failure;

(viii) Seller fails to perform any material obligation under the Subordinated Mortgage for 30 days, or in certain circumstances for up to 60 days after Seller receives notice from WAPA of such failure;

(ix) Seller abandons construction or operation of the

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Facility;

(x) The PPA for the other Facility is terminated by WAPA prior to the Closing Date because of a failure of Seller to perform its obligations;

(xi) The Service Contract is terminated by VIWMA for breach or default by Seller;

(xii) Seller or Energy Investors Funds (“EIF”) fails to perform a material obligation under the Letter Agreement for 30 days after Seller receives notice from WAPA of such failure;

(xiii) Seller’s failure to pay undisputed amounts due to WAPA under the PPA within 30 days following notice from the other Party;

(xiv) Seller fails to maintain solvency; and

(xv) Seller fails to perform any material obligation under the PPA for 30 days after receiving notice from WAPA of such failure.

WAPA Remedies

(PPA Sections 13.3-13.4)

Upon a Seller Event of Default, WAPA may upon 30 days prior written notice, terminate the applicable PPA and pursue any other right or remedy available at law or in equity, including drawing on an Construction Security or Performance Security, as applicable

Upon an Event of Default by Seller, WAPA will also have step-in rights to possess, assume control of and operate the Facility as agent for Seller, unless VIWMA exercises its step-in rights under the Service Contract, in which case WAPA shall not be entitled to exercise such rights.

WAPA’s Events of Default

(PPA Section 13.2)

If any of the following events occur, Seller may declare WAPA in default under the PPA for the applicable Facility:

(i) WAPA’s failure to pay undisputed amounts due to Seller under the applicable PPA within 30 days following notice from Seller;

(ii) WAPA fails to maintain solvency

(iii) WAPA fails to perform any material obligation under the applicable PPA for 30 days after receiving notice from Seller of such failure; and

(iv) WAPA fails to perform any material obligation under the Side Letter Agreement.

Seller Remedies

Upon a WAPA Event of Default, Seller may upon 30 days prior written notice, terminate the applicable PPA and

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(PPA Section 13.3)

WAPA Limitation on Liability

(PPA Section 14.5)

Seller Limitation on Liability

(PPA Section 14.5)

IX. Miscellaneous

Option to Purchase

(PPA Section 18.1)

Representations and Warranties

(PPA Article 15)

Insurance

(PPA Article 11 / Schedule 11)

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pursue any other right or remedy available at law or in equity.

Default – In the event of a WAPA Default, WAPA’s aggregate liability under both the PPA and the IA for each Facility shall be limited to the Termination Amount, or, if WAPA elects to purchase the Facility, the fair market value of the Facility.

Dispatch Shortfall – If WAPA fails to dispatch or accept its Minimum Semi-Annual Dispatch, its liability will be limited to the Electric Energy Charge for any shortfall, up to the Minimum Semi-Annual Dispatch plus any incremental costs reasonably incurred by Seller to dispose of RDF fuel or MSW.

Other Claims – WAPA’s liability for all other claims will be limited to \$10 million per year.

Default – In the event of a Seller Default, Seller’s aggregate liability under both the PPA and the IA for each Facility shall be limited to the Termination Amount, or, if WAPA elects to purchase the Facility, the fair market value of the Facility.

Dispatch Shortfall – If Seller fails to schedule, or produce when dispatched, the Guaranteed Semi-Annual Output, its liability will be limited to \$0.02 per kWh (increased 4% annually) of such shortfall.

Other Claims – Seller’s liability for all other claims will be limited to \$10 million per year.

Upon the expiration of the PPAs, or earlier termination, WAPA will have the option to purchase each Facility and Seller’s Interconnection Facilities at the fair market value, as described in Schedule 16 of the PPAs; provided if VIWMA exercises its right to purchase the RDF Facility [STX – at any time][STT – upon an event of default by Alpine under the Service Contract], WAPA’s option to purchase each Facility under the PPAs shall not include the applicable RDF Facility.

Normal and customary representations and warranties for a power contract, as set out in WAPA’s RFP.

Seller will at all times, maintain insurance on the Facilities in the amounts and with the specifications set forth

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Assignment
(PPA Section 18.1)

in Schedule 11 of the PPAs.

Seller will not assign the PPAs, except for a collateral assignment to its lenders or upon WAPA's consent, such consent not to be unreasonably withheld. It shall not be unreasonable for WAPA to withhold its consent if the transferee is not experienced in the ownership or operation of facilities for the generation of electricity from solid fuels, directly or through its affiliates, unless the Facility is managed by, and is operated by, a Person with such experience.

WAPA may assign the PPAs to any agency, authority or other entity having similar responsibilities, authority and independence and financial creditworthiness.

Any direct or indirect change of control of Seller, including any transfer, assignment, acquisition or other transaction by which a person who is not a Qualified Owner, as defined in the PPAs, becomes a owner of an interest in Seller or any person becomes 50% owner of the direct or indirect equity interests of Seller, will require WAPA's consent, such consent not to be unreasonably withheld. It shall not be unreasonable for WAPA to withhold its consent if the transferee is not experienced in the ownership or operation of Facilities for the generation of electricity from solid fuels, directly or through its affiliates, unless the Facility is managed by, and is operated by, a Person with such experience.

Dispute Resolution
(PPA Article 16)

All technical disputes will be settled by a consulting engineer chosen by the Parties from an agreed list, pursuant to technical arbitration in St. Thomas, US Virgin Islands, in accordance with the International Chamber of Commerce Rules for Expertise.

Unless either Party elects otherwise, all non-technical disputes will be settled pursuant to arbitration in St. Thomas, US Virgin Island, in accordance with the American Arbitration Association rules or, at the option of either Party, by the Superior Court or the United States District Court for the District of the Virgin Islands.

Governing Law
(PPA Section 16.5)

US Virgin Islands