

## **FUEL SUPPLY CONTRACT**

This Fuel Supply Contract, No. SC-11-2025, effective this 4<sup>th</sup> day of December 2024, is by and between **SOL PETROLEUM USVI LIMITED**, a corporation organized under the laws of the United States Virgin Islands (the “Company” or “SOL”) represented by its Authorized Representative, Abner Hiraldo; and **V.I. WATER AND POWER AUTHORITY**, an autonomous governmental instrumentality incorporated under the laws of the United States Virgin Islands (the “Customer”), represented by its Authorized Representative, Karl Knight (all, jointly referred to as “the Parties”).

**WHEREAS**, the Customer is interested in obtaining a reliable supply of fuel and the Company is in a position to supply fuel to the Customer at the terminal facilities located at Limetree Bay in Christiansted, St. Croix (the “Terminal”); and

**WHEREAS**, the parties agree to enter this Fuel Supply Contract (“Contract”) subject to the following:

### **TERMS AND CONDITIONS**

#### **1. PRODUCTS**

- (a) The Company agrees to sell, and the Customer agrees to purchase and pay for the fuel products available for sale from the Company (“Products”).
- (b) The Products currently available for sale at the Terminal are: 91 octane gasoline, 87 octane gasoline and ultra-low sulfur diesel (ULSD). The specifications of the Products available for sale at the Terminal may change. Company will provide Customer notice of any such change prior to delivery of the Product.

#### **2. TERM**

- (a) The term of this Contract will commence on December 4, 2024, and continue through September 30, 2027 (the “Term”). The Term shall have the option to renew for two (2) additional years, unless either Party provides the other Party sixty (60) days advance written notice of termination.
- (b) The Company may discontinue the supply of Products to Customer at any time if the Customer breaches any covenant, condition, term, or stipulation of this Contract, and does not cure the breach within a period of fifteen (15) days from the date of the written notice of breach.

### **3. PRODUCT ORDER AND DELIVERY**

- (a) The Customer shall place orders for the Products with SOL's Customer Service Center ("CSC") as set out in the Company's Order Placement Procedure, which may be amended with reasonable notice to Customer. The Current Order Placement Procedure is included as Schedule A to this Contract.
- (b) Deliveries of the Products to the Customer will be at the Terminal truck loading rack. Fuel orders must be placed before 3:00 pm on the business day prior to delivery.
- (c) The Company will deliver the Products to the Customer at the Terminal rack in those quantities or volumes ordered by the Customer and set forth in the delivery tickets ("picking tickets") issued by the Company to the Customer and subject to any Terminal minimum or maximum order restrictions. Volumes delivered will be measured by meters and set forth in delivery tickets at the time of lifting. Such tickets will serve as prima facie evidence of the volumes delivered, absent obvious errors or alteration.
- (d) The Customer may collect the Products at the Terminal, using its own or contracted tank truck. The Company shall not be obligated to deliver the Products to the Customer if there is an unpaid and outstanding balance due in the Customer's account.
- (e) The Customer will be responsible for receiving Products in its designated hauler's tank truck and ensuring that the fuel loading function at the Terminal is carried out following the appropriate, acceptable, and safe procedure in accordance with the Terminal rules and avoiding incidents, contaminations, overfilling or spills during the procedure. Customer shall be responsible to verify Product volume and quality. Customer, either on its own behalf or through its third-party hauler, shall be responsible for all its acts and omissions in connection with rack lifts, including any overlifts, underlifts, and incorrect or improper billing/accounting data entered in the Terminal's automated system. It shall be the Customer's responsibility to ensure its truck driver neither overlifts, underlifts, nor makes a lift using incorrect or improper billing or accounting information or lifts on an improper account.
- (f) The Company has provided, or will provide, the Customer, upon Customer's request, with the material safety data sheets for the Products.
- (g) Any claim as to defect in quality or quantity of any Product shall be made in writing to the Company immediately after such alleged defect is discovered, but in no event later than five (5) calendar days after the Product is delivered and include all necessary details to properly investigate and process such claim. The Company will not entertain claims where the Customer has commingled Products with products of third parties.

### **4. PRICES**

- (a) The prices for the Products to be delivered at the Terminal shall be those notified to Customer by the Company. Prices for Monday thru Friday will be notified to Customer by email as set out in section 5(b). Notwithstanding the foregoing, the Company reserves the right to notify the Customer of any changes in pricing prior to delivery of the Product.

Price for the ULSD to be supplied by Sol to WAPA would be in U.S. dollars subject to the following formula:

Price\* = Platts USGC Waterborne ULSD of Sol USVI Inventory Layer + 10% of Platts USGC Waterborne ULSD of Sol USVI Inventory Layer + Fixed differential

\*The above stated price would not be subject to Road Tax and the fixed differential would be .2645 until September 30, 2025 and will be evaluated on a yearly basis thereafter.

Following the above terms, an example calculation of the effective price would be as follows:

Platts USGC Waterborne ULSD (Inventory Layer):	\$2.5601 s/gallon
10% of Platts USGC Waterborne ULSD:	+\$0.2560 s/gallon
Fixed Differential:	+\$0.2645 s/gallon
Price:	\$3.0806

**Year One (1): NTE      \$ 5,050,283.00**

**Year Two (2): NTE      \$ 5,102,506.00**

**Year Three (3): NTE      \$ 5,162,353.00**

**Contract Not to Exceed \$15,315,353.00**

(b) Every Thursday the Company will notify the Customer of the prices in effect for the following week (Monday through Friday).

## **5. BILLING AND PAYMENT**

(a) The Company will provide a quote (proforma invoice) for prepayment purposes including the gross amount ordered. After payment, the order will be released for delivery and the Customer will be able to pick up at the Terminal rack. The proforma invoice will include amounts for pending credits (e.g. net vs gross product delivery) and pending charges (e.g., overtime charges).

(b) The Customer will pay in full the invoices issued by the Company in dollars (US) free of charges, discounts, withholdings, compensations, or subsidies. Payments shall be made by wire transfer or direct debit from the account designated by the Customer. The Customer will deliver or process any documentation required by the Company to allow direct debiting of the Customer's account.

(c) All payments made by the Customer under this Contract will be governed by the Accounts Receivable Management and Control Policy included as Schedule B of this Contract.

(d) If at any time the Customer fails to make any payment or does not provide the required guarantees as stated in the Policy at Schedule B, the Company, without prejudice to any other remedy or action that it may have by law, will have the right to immediately suspend or terminate the supply of the Products.

## **6. RISK AND TITLE; WARRANTY, INDEMNITY**

- (a) Title to the Products to be supplied under this Contract and the risk of loss will pass from the Company to the Customer at the time the Product passes the Customer's or its designated hauler's tank truck delivery flange. At that time, responsibility for the Product passes from the Company to the Customer, including liability for spills or contamination that may occur after delivery.
- (b) Company warrants that it has marketable title to the Products sold under this Contract and that Company has full right and authority to transfer such title and effect delivery of such Products to Customer. COMPANY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR FITNESS OF THE PRODUCTS FOR ANY PARTICULAR PURPOSE, EVEN IF SUCH PURPOSE IS KNOWN TO COMPANY.
- (c) The Customer agrees to hold harmless and indemnify the Company, its directors, officers, employees, contractors and agents from any claims, demands, judgments, damages and expenses, including attorney's fees incurred by the Company, arising out of or related to risk, loss, damage or injury to person or property, including environmental damage, caused by or occurring in relation to the use, storage, or possession of the Products supplied pursuant to this Contract, except for that damage or injury that arises prior to the passing of title or from the gross negligence of the Company.

## **7. BUSINESS LICENSE**

The Company must comply with all U.S. Virgin Islands laws with respect to licensing which must be obtained in connection with its business operation(s). The Company shall obtain all necessary and applicable business license(s) and present copies to the Authority at the time of Contract execution. Failure to present copies of license(s) shall be grounds to consider the Contract as void or the Authority may terminate this agreement if the Company is provided additional time to secure its license and fails to do so in a timely manner.

## **8. SAFETY PRECAUTIONS**

The Company shall be responsible for initiating and maintaining safety precautions and programs and supervising its personnel to ensure the safe transfer of fuel. The Company shall, furthermore, provide all its personnel with sufficient and appropriate safety devices.

The Company shall ensure that the services provided, and the products, equipment, and materials furnished and/or utilized are in strict compliance with any and/or all applicable codes and standards regulating its activities, including but not limited to the following:

EPA	Environmental Protection Agency
RCRA	Resources Conversation and Recovery Act
TSCA	Toxic Substance and Control Act
DOT	Department of Transportation

AWWA	American Water Works Association
NSF	National Sanitation Foundation
FP-96	Federal Highway Administration

The Company shall also comply with any and all applicable U.S. Virgin Islands' building, plumbing, mechanical, electrical, fire, health, and public safety codes.

## **9. PROFESSIONAL STANDARDS**

The Company shall observe and maintain the professional standards and good practices applicable to its profession and to contractors doing business in the U.S. Virgin Islands.

## **10. LIABILITY OF OTHERS**

Nothing in this Contract shall be construed to impose any liability against the Customer to persons, firms, associations, or corporations engaged by the Company as servants, agents, or independent contractors, or in any other capacity whatsoever, or make the Customer liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations, and taxes of the Company of whatsoever nature, including but not limited to employment insurance and social security taxes for the Company, its servants, agents, employees, or independent contractors.

## **11. NON-DISCRIMINATION**

No person shall be excluded from participating in, be denied the proceeds of or be subject to discrimination in the performance of the contracted services on account of race, creed, color, sex, religion, disability, or national origin.

## **12. TAXES**

- (a) To the extent permitted by law, all taxes, fees or other charges (such other charges including without limitation environmental, spill find, pollution or similar charges) now or hereinafter imposed, enacted, levied or assessed by any governmental authority upon or as a result of the transfer of title or delivery of the Product, including but not limited to fuel taxes, if applicable, shall be borne and paid for by Customer. Failure of Company to add any such tax, fee or charge to the invoice shall not relieve Customer from liability therefor.
- (b) If the Customer is exempt from any such taxes, fees, or charges, it shall provide Company with any exemption certificate and any other information or documentation necessary to validate such exemption. Customer shall reimburse Company for any interest and/or penalty assessed by any governmental or regulatory authority or agency when the penalty and/or interest is assessed because of false, incorrect, or delinquent certification(s) made to Company by Customer.

### 13. FORCE MAJEURE

- (a) Neither the Company nor the Customer shall be liable for any loss, damage, or claim as a result of any delay, failure or omission in performance of the terms of this Contract, if the delay, failure or omission is caused by fire, storm, flood, war, acts of war, sabotage, blockade, act of God, pandemic, epidemic, rebellion, strikes, labor disputes, embargoes or restrictions on amounts or exports, failure of the carrier to provide facilities or transportation, collapse or damage to facilities used in production, transportation, receipt, handling or delivery of the Products, any restriction or failure of the Company's sources of supply for the Products, any distribution requirements, rationing or priorities in effect pursued by government direction or requested or instituted in cooperation with any governmental authority, or any event of the same kind or kind as those set forth above that is not under the control of the affected party.
- (b) Notwithstanding the provisions of Section 13, Customer will not be released of any liability or obligation to make payments for the delivered Product based upon any event that occurs after delivery is complete.
- (c) In the event of any restriction, shortage, or cessation in the existing inventory or availability of Product to be supplied, or in the raw material to make the Product and in the event that the Company is unable to fulfill part or all of its obligation to the Customer, the Company at its discretion, but in a fair and commercially reasonable manner may withhold, suspend or reduce sales and deliveries to the Customer and others and the Company will not incur any liability to the Customer. The Company, in its reasonable discretion, may discontinue or ration the sale and delivery of the Products to be supplied under this Contract if it determines that its inventory is or is projected to be insufficient to supply its buyers.

### 14. NOTIFICATIONS

Any notice, request or other communication requested or given under this Contract must be in writing and delivered by certified mail with return receipt with copy by email to the following addresses, or any other address notified in writing by the parties:

**Company: Sol Petroleum USVI Limited**

1 Estate Hope, St Croix, U.S. Virgin Islands, 00820

Email: [abner.hiraldo@solpetroleum.com](mailto:abner.hiraldo@solpetroleum.com)

Email : [legal@solpetroleum.com](mailto:legal@solpetroleum.com)

Attention: Abner Hiraldo

**Customer: V.I. Water and Power Authority**

4095 Diamond Ruby, Christiansted, St. Croix, VI 00820-4418

Email : [karl.knight@viwapa.vi](mailto:karl.knight@viwapa.vi)

Attention : Karl Knight

**Copy to:**

Office of the General Counsel

**V.I. Water and Power Authority**

P.O. Box 1450

St. Thomas, U.S. Virgin Islands 00804

Email : [legaldepartment@viwapa.vi](mailto:legaldepartment@viwapa.vi)

## **15. COUNTERPARTS**

This Contract may be executed in two or more counterparts, each of which together shall be deemed an original and the same instrument, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

## **16. PUNITIVE AND CONSEQUENTIAL DAMAGES**

The Parties agree that, in the event of any controversy or claim arising out of or related to this Contract, the Parties will not be liable for any punitive nor consequential damages.

## **17. COMPLETE AGREEMENT**

This Contract contains and constitutes the entire agreement between the Parties relating to this matter and supersedes all discussions and negotiations between the Parties prior to its signing. No agreement after the date of this Contract shall bind the Parties unless it is in writing and signed by their authorized representatives. Once acknowledged by the Customer, this Contract will bind the Parties and their successors and permitted assigns.

## **18. WAIVER**

The right of the Parties to demand strict compliance with the obligations under this Contract will not be understood to be waived by the fact of not having demanded it on previous occasions.

## **19. APPLICABLE LAW**

This Contract shall be governed by and construed in accordance with the laws of the United States Virgin Islands without regard to applicable principles of conflicts of law. Each of the Parties hereto irrevocably consents to the exclusive jurisdiction of any federal or state court located within the United States Virgin Islands, in connection with any matter based upon or arising out of this Contract or the matters contemplated herein, agrees that process may be served upon them in any manner authorized by the laws of the United States Virgin Islands 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.

## **20. SEVERABILITY**

The validity of the provisions of this Contract will not be affected if any particular provision or provisions of this Contract are declared illegal, unenforceable or contrary to law or public policy. If any part of this Contract is declared illegal, the Parties will negotiate in good faith to reach an amendment that reflects the original intention of the Parties as set forth in this Contract.

## **21. ASSIGNMENT**

This Contract may not be assigned by the Customer without the prior consent of the Company.

## **22. AMENDMENTS**

This Contract may not be amended or modified except by written agreement executed by both Parties, except that the terms relating to Products available for sale at the Terminal, pricing, ordering procedure and those included in Schedule A and B may be amended or modified at the Company's sole discretion with notice to Customer.

## **23. SURVIVAL:**

The following sections of this Contract will survive the termination or expiration of this Contract and will remain in effect until fulfilled:

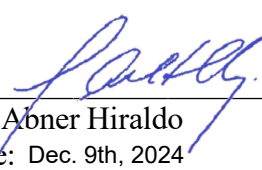
- (a) Clause 4: Prices
- (b) Clause 6: Risk and Title, Warranty, Indemnity
- (c) Clause 19: Applicable Law

*Signature page to Follow*



**IN WITNESS WHEREOF**, the Parties execute this Contract in on the date indicated below:


**SOL PETROLEUM USVI LIMITED  
AUTHORITY**

  
By: Abner Hiraldo  
Date: Dec. 9th, 2024

**VIRGIN ISLANDS WATER & POWER**

  
By: Karl Knight  
Date: 12/19/2024

**Approved as to Legal Sufficiency**

  
Dionne G. Sinclair  
General Counsel  
12/09/2024  
Date

### **SCHEDULE A – ORDER PLACEMENT PROCEDURE**

Customers shall place orders for Products with SOL's Customer Service Center ("CSC"), subject to the following:

1. All orders must be sent by e-mail to the following address: [usvi.csc@solpetroleum.com](mailto:usvi.csc@solpetroleum.com).
2. Orders will be processed on a first-come, first-served basis during regular CSC hours.
3. Orders must be placed a minimum of 24 hours in advance, and no later than 3:00pm on the business day prior to delivery.
4. CSC's regular hours of operation are Monday through Friday from 8:00 a.m. to 4:00 p.m.
5. Inquiries on orders can be made by calling the following phone number: 340-474-4211
6. Payment for Product must be made upon delivery.
7. The Customer may collect the Products at the Terminal, using its own or contracted tank truck, as long as there is no balance due over the Customer's credit limit or expired in the Customer's account and the fuel orders are placed before 3:00 pm on the business day prior to delivery.
8. If any order is not placed within the required advance notice or in the event of excess demand or overload at the Terminal, an additional fee of \$340 minimum at \$85 an hour.

## **SCHEDULE B - ACCOUNTS RECEIVABLE MANAGEMENT AND CONTROL**

### **POLICY**

All payments for Products must be made by wire transfer or direct debit to the account designated by the Customer upon delivery of the Products. The Company reserves the right to allow the Customer to make payments by other alternative form of payment.

It will be the Customer's responsibility to ensure that payment is available or has been made at the time of delivery of the Product or prior to delivery, if so required.

Any inquiries regarding payments or credit shall be sent to: [solusvicredit@solpetroleum.com](mailto:solusvicredit@solpetroleum.com)

#### **I. Payments by Wire Transfer**

Payments by wire transfer shall be made to the bank account indicated by the Company.

#### **II. Payments by Direct Debit**

All payments by direct debit to the account designated by the Customer shall be upon delivery of the Products.

The Customer will obtain a payment bond, letter of credit or deposit bond, for a term of one (1) year for the minimum amount required as guarantee by the Company to secure payment of Products. The payment bond must be reviewed and approved by the Company's legal department and is subject to approval by the SOL Group in accordance with the current Manual of Authorities (MOA). The Company reserves the right to request the extension of the bond for additional periods or require other payment guarantees or securities pursuant to its Credit Manual.

#### **III. Returned Debits**

Any returned debit will be replaced with a wire transfer.

Two incidents of returned debits from the Customer within a period of 6 months will automatically lead to the condition of paying "Hard Cash" for a period of 3 months. A third return within the same 6-month period carries the condition of paying "Hard Cash" for a period of 6 months and a fourth return within the same 6-month period carries the condition of paying "Hard Cash" indefinitely.

"Hard Cash" status requires making payments to the Company by wire transfer.

##### **A. First returned debit**

If this is the first debit returned, delivery of products will be suspended and the Customer will be notified, unless there are circumstances where the matter must be referred to the Credit Committee.

**\$20.00** will be charged to the Customer's account.

**B. Second debit returned within a 6-month period**

If a second debit is returned within a period of 6 months and the Customer has not been under “Hard Cash”, payment must be made by wire transfer (“Hard Cash”) for a period of 3 months. Customer must pay any other invoices due by wire transfer settling any balance owed to the Company before Customer can receive Product again. After this 3-month period has elapsed, the previous payment method will automatically be restored.

**\$20.00** will be charged to the Customer's account.

**C. Recurrences of returned debit**

In the event of recurrences of returned debit, the Credit Committee will determine the period (not less than 6 months) during which the Customer must make Hard Cash payments based on the circumstances of the case.

**\$20.00** will be charged to the Customer's account for each returned debit.

After the period determined by the Committee, the Customer is required to provide recent financial data and/or authorization to investigate their recent credit history. The Customer will be re-evaluated by the Credit Committee to determine the appropriate payment method according to the financial condition of the Customer's operation.

**FAILURE TO PAY ADMINISTRATIVE CHARGES FOR RETURNED DEBITS IMPOSED BY THE COMPANY COULD RESULT IN SUSPENSION OF DELIVERY TO THE CUSTOMER.**

**IV. Document Delivery and Annual Customer Review**

At the Company's request, Customers will be required to submit their personal and operational financial statements annually, on or before May 31 of each year. The financial data provided must correspond to the recently completed year of operations (the last 12 months). Failure to comply with this requirement will result in the change of the Customer's present payment terms to Hard Cash indefinitely, until the Customer complies with the documents required for the review. The Company may also require the Customer's authorization to investigate credit history.

The result of the annual credit review may lead to a change to existing credit and payment terms and the request for a letter of credit or bond.

**IV. Charges for Collection Referrals to External Collection Agencies**

Those accounts with arrears equal to or greater than sixty (60) days may be referred to external collection agencies and/or attorneys to manage collection. If the Company has to use such third-party services, the Customer will pay the Company all costs and fees incurred in the collection process, including any legal fees or collection agency fees.