



CONSULTING AGREEMENT

WITNESS this Agreement by and between Risked Revenue Energy Associates, a consulting business in Houston, Texas (R^2) and U.S. Virgin Islands Water and Power Authority (WAPA), an instrumentality of the Government of the U.S. Virgin Islands entered into on the day and year set forth below.

WITNESSETH, that

WHEREAS, the parties desire to provide for R^2's performance of certain work and services for WAPA as an independent contractor; and

NOW, THEREFORE, for and in consideration of the sums to be paid hereunder, the mutual covenants and promises to be kept, observed and performed, R^2 and WAPA do hereby agree as follows:

1. Status of R^2.

The parties intend that R^2 shall perform work and services for WAPA in the capacity of an independent contractor, in accordance with Articles 2 and 3 below.

2. Services.

A. The provisions of this Article 2 shall pertain to the engagement by WAPA of R^2 as an independent contractor in accordance with the terms set out below.

B. R^2 represents that it is experienced and knowledgeable in the hedging of commodities, and that it has trained and experienced personnel in this area. R^2 will devote its expertise, capabilities, and talent to the duties described herein and shall perform its services in a good and diligent manner reasonably calculated to achieve the objectives of this engagement.

C. With respect to R^2's duties described below, Mr. Lawrence Kupfer, and such other person designated in writing by WAPA to R^2, shall be the WAPA representatives with regard to work performed by R^2.

D. WAPA has engaged R^2 for its expertise and advice on commodity price risk management. WAPA expressly agrees that the recommendations made by R^2 (whether written or oral) represent the opinion of R^2 and acknowledges that such opinions are subject to change without notice.

E. Nothing herein contained shall be construed to create a partnership, joint venture or association of any kind between R^2 and WAPA. R^2 shall perform the

services hereunder as an independent contractor. Subject to paragraph D. above, R² shall use its own means and methods of accomplishing the services to be provided hereunder and shall not be subject to the control of WAPA with respect to the details of such work. Any use by R² of WAPA's established internal forms and the application to R² of WAPA's personnel or other policies is understood to be merely for the mutual convenience of WAPA and R².

F. In consideration of the payments to be made hereunder and the other considerations recited in this Agreement, R² agrees to keep confidential any information, data, writings, calculations, agreements or knowledge (whether oral, written or computerized) concerning the business, operating records and operating secrets of WAPA and its affiliates, which WAPA has or might from time to time acquire, and R² agrees to not disclose such confidential information to any person not an employee or manager of WAPA or its subsidiaries, except as expressly authorized by WAPA. This paragraph will continue after, and not be deemed to be extinguished or terminated by, the termination of this Agreement.

G. WAPA reposes confidence in the qualities and ability of R² and it is accordingly understood that this Agreement may not be assigned by R². In the event that R² is unable to provide services during the term of this Agreement, or R² has breached its obligations hereunder in any material respect, WAPA will have the option to immediately terminate the Agreement at anytime upon notice to R², and its only obligation at that point in time will be to pay R² for the services that have been furnished to that date.

H. WAPA agrees to keep confidential the proprietary methodology and data used by R². WAPA shall limit access to the proprietary information to those employees, agents and representatives who have a need to review such proprietary information and are legally bound to keep secret such proprietary information. WAPA will use at least the same degree of care it uses in protecting its own proprietary secrets. This paragraph will continue after, and not be deemed to be extinguished or terminated by, the termination of this Agreement.

I. Subject to Paragraph H, above, this Agreement shall extend to, and be binding upon the parties hereto and their respective heirs, successors, and assigns.

J. This Agreement shall be subject to all applicable laws, rules and regulations, both Federal and State.

K. This Agreement is confidential and is not to be disclosed without the prior written approval signed by an authorized representative of R² and an authorized representative of WAPA, provided that WAPA may disclose this Agreement to its accountants, auditors and attorneys or as may be required by law.

L. No modification or alteration of the terms of this Agreement shall be effective unless in writing and signed by an authorized representative of R² and an authorized representative of WAPA.

M. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

3. Services – Fees.

A. WAPA agrees to retain R² for an initial period of 12 months at a rate of \$[REDACTED] per month. R² will provide WAPA with all the assistance it needs to develop, implement and maintain a producer hedge program covering crude, liquids and natural gas production and derivatives for WAPA. Each month R² will analyze WAPA's hedge portfolio and provide a summary of its findings in a Risked Revenue Hedge Report. This report will include statistical analysis of the hedge portfolio using **R² Performance Risk Management System, Patent US 7,822,670 B2**. In addition, WAPA will be provided all necessary periodic accounting support required for reporting on WAPA's hedge portfolio, including, but not limited to SSAE 18 reports (or such other reports required for financial reporting), pricing curves, volatility curves, MTM calculations, counterparty exposure reports, settlements, credit adjustments, sensitivity analysis, and fair market valuations.

B. Consulting hours may be required from time to time to perform services that are outside the scope of those described in paragraph 3.A. WAPA may, by mutual consent, subscribe to additional consulting services from R² at the rate of \$[REDACTED]/hr. R² will provide an estimate for the consulted hours required for the requested services.

C. If WAPA requests, with 15-days prior notice, R² to consult at a location more than 50 miles from R²'s office, WAPA agrees to pay for all reasonable related travel expenses including airfare, rental car and/or mileage, lodging and meals.

D. R² shall invoice for retained service fees in monthly installments, beginning with the execution of this Agreement. Other fees and expenses will be billed at the end of the month incurred. Said invoices will be sent to WAPA to the attention of Mr. Lawrence Kupfer. WAPA shall pay R² not later than thirty (30) days after its receipt and verification of each such statement and invoice.

4. Terms.
 - A. This Agreement shall be effective April 15, 2020 through April 14, 2021.
 - B. During the period that WAPA is a customer of R², R² may (but is under no obligation to) name WAPA as a customer in its marketing material, and reproduce your logo solely for such purpose.
5. R² acknowledges a potential conflict of interest where, as advisors to other clients where it may have beneficial ownership, its clients may take commodity positions similar or opposite to WAPA. Section 2.F of this Agreement protects WAPA from any breach of confidentiality.
6. CFTC acknowledgments:
 - A. WAPA represents that it is a Qualified Eligible Person as defined under the Commodity Exchange Act.
 - B. PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION ("CFTC"), THIS AGREEMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN OUR ADVISORY PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF OUR DISCLOSURE. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED OUR PROGRAM OR THIS AGREEMENT.
7. Notices.
 - A. If to R², addressed to: Mr. Wayne F. Penello
President, ANOVA Management, Inc.
General Partner of Penway Group, LP
d/b/a Risked Revenue Energy Associates
2323 S. Shepherd Dr., Suite 1011
Houston, TX 77019
wpenello@riskedrevenue.com
 - B. If to WAPA, addressed to: Mr. Lawrence Kupfer, CEO



USVI Water and Power Authority
P.O. Box 1450.
St. Thomas, USVI 00804-1450
lawrence.kupfer@viwapa.vi

The signatures below indicate acceptance of the details, terms and conditions in this proposal, and provide approval to begin work as specified.

For Risked Revenue Energy Associates:

Mr. Wayne F. Penello, President
Anova Management, Inc.
General Partner of Penway Group, LP
DBA Risked Revenue Energy Associates

Date

For U.S. Virgin Islands Water and Power Authority:

Mr. Lawrence Kupfer, CEO
USVI Water and Power Authority
P.O. Box 1450.
St. Thomas, USVI 00804-1450

Date