

**AMENDED AND RESTATED  
POWER PURCHASE AGREEMENT**

This Amended and Restated Power Purchase Agreement is made and entered into this 21<sup>st</sup> day of November, 2001, by and between Belize Electricity Limited a company incorporated under the *Companies Act* (Belize) (together with its successors and assigns, the "Utility") and Belize Electric Company Limited a company incorporated under the *Companies Act* (Belize) (together with its successors and assigns, the "Producer").

**WHEREAS** effective as of April 19, 1991, the Government, Belize Electricity Board ("BEB"), International Energy Equities, Inc. ("IEEI") and Dominion Energy, Inc. ("DEI") entered into a Franchise Agreement (as amended and/or assigned prior to the date hereof, the "Franchise Agreement") and a Guaranty Agreement (as amended and/or assigned prior to the date hereof, the "Guaranty Agreement"), and BEB, DEI and IEEI entered into a Power Purchase Agreement (as amended and/or assigned prior to the date hereof, the "Original Power Purchase Agreement" and, together with the Franchise Agreement and the Guaranty Agreement, the "Government Agreements");

**AND WHEREAS** effective as of September 30, 1992, DEI, IEEI, the Government, BEB and the Producer entered into an Assignment Agreement, pursuant to which the Government and BEB consented to the assignment of the rights and obligations of IEEI and DEI under the Government Agreements to the Producer;

**AND WHEREAS** effective as of September 30, 1992, BEB and the Producer entered into a Transmission Facility Agreement (the "1992 Transmission Facility Agreement") pursuant to which BEB agreed to provide the Producer with access to, and authority over, national and private lands in Belize to enable the Producer to perform its obligations under the 1992 Transmission Facility Agreement;

**AND WHEREAS** effective as of December 28, 1992, pursuant to the *Electricity Act, No. 13*, of 1992, all rights and obligations of BEB were transferred to the Utility;

**AND WHEREAS** effective as of December 30, 1993, the Government, the Utility, the Producer and others entered into a Master Agreement pursuant to which such parties amended and acknowledged certain agreements and understandings that had been reached among them with respect to the Government Agreements;

**AND WHEREAS** effective as of December 18, 1996, the Government, the Social Security Board of Belize, the Producer and others entered into a Second Master Agreement pursuant to which the parties thereto amended and acknowledged certain agreements and understandings that had been reached among them with respect to the Government Agreements;

**AND WHEREAS** the Producer has agreed to eliminate the requirement that the Utility pay the capacity charge that the Original Power Purchase Agreement currently requires the Utility to pay, such elimination to be effective as of April 1, 2001;

**AND WHEREAS** the Producer wishes to pursue development of water storage and generating capacity upstream of the existing Mollejon Project if such development, and the operation of the facility resulting from such development, can occur in an environmentally responsible manner;

**AND WHEREAS** the Producer has agreed to lease and operate the Mollejon Project following the transfer of the ownership of the Mollejon Project to the Government on April 1, 2036;

**AND WHEREAS** the Government, the Utility and the Producer wish to amend the arrangements contemplated by the Government Agreements to reflect, among other amendments, the matters described in the foregoing three recitals;

**AND WHEREAS** to effect certain of such amendments, the Producer and the Utility amended the Original Power Purchase Agreement pursuant to a Third Master Agreement (the "Third Master Agreement") dated the date hereof;

**AND WHEREAS** the Producer and the Utility wish to enter into this Amended and Restated Power Purchase Agreement to reflect the terms of the Original Power Purchase Agreement as amended by the Third Master Agreement;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**1.1 Definitions.** Except where another meaning is expressly stated, when used in this Agreement, the following terms shall have the meanings set forth below:

- (a) "**Affiliate**" means an affiliated body corporate and, for the purposes of this Agreement, (i) one body corporate is affiliated with another body corporate if one such body corporate is the Subsidiary of the other or both are Subsidiaries of the same body corporate or each of them is Controlled by the same person and (ii) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other;

- (b) "**Agreement**" means this Amended and Restated Power Purchase Agreement, as may be revised, amended or amended and restated from time to time;
- (c) "**Commercial Operation Date**" means April 1, 1996;
- (d) "**Control**" means, with respect to control of a body corporate by a person, the holding (other than by way of security only) by or for the benefit of that person, or Affiliates of that person of securities of such body corporate or the right to vote or direct the voting of securities of such body corporate to which, in the aggregate, are attached more than 50% of the votes that may be cast to elect directors of the body corporate, provided that the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (e) "**Electric Energy**" means kilowatt hours (Kwh) of electricity;
- (f) "**Force Majeure**" has the meaning set out in Section 13.2;
- (g) "**Franchise Agreement**" means the Amended and Restated Franchise Agreement dated the date hereof between the Government of Belize, the Utility and the Producer, as such agreement may be revised, amended or amended and restated from time to time;
- (h) "**Guaranty Agreement**" has the meaning set out in the recitals hereto;
- (i) "**Mollejon Interconnection Point**" means the physical point on the Mollejon Project Site where the Mollejon Transmission Facilities and the Producer's facilities are electrically connected, which point shall be the low voltage side of the step-up transformer included in the switchyard located on the Mollejon Project Site;
- (j) "**Mollejon Project**" means the hydroelectric generating project situated at the Macal River near its confluence point within the Mollejon Creek, in Cayo District, Belize, C.A., rated at approximately 25 megawatts, and all land or real property structures and facilities related to such generating project including, but not limited to, diversion structures, the power tunnel and the powerhouse;
- (k) "**Mollejon Project Site**" means the land and real property on which the Mollejon Project is situated;
- (l) "**Mollejon Transmission Facilities**" means (a) a high tension transmission line of approximately 139 kilometres beginning at the switchyard located on the Mollejon Project Site and ending at the switchyard in Ladyville, (b) the five switchyards located at the

Mollejon Project Site, San Ignacio, Belmopan, Belize City and Ladyville, respectively, and  
(c) all structures and equipment related to such facilities;

- (m) **"New Project"** means the engineering and construction, approximately 16 kilometres upstream of the Mollejon Project Site, of (i) water storage and (ii) additional generating capacity at that upstream location, and all land or real property structures and facilities related to such storage and generating project;
- (n) **"New Project Commencement Date"** means the date on which the Producer commences sales of Electric Energy generated by the New Project, whether by the creation of the additional water storage capacity or by the added generating capacity at the New Project Site;
- (o) **"New Project Interconnection Point"** means the physical point on the New Project Site where the New Project Transmission Facilities and the Producer's equipment are electrically connected, which point shall be the low voltage side of the step-up transformer included in the switchyard located on the New Project Site;
- (p) **"New Project Site"** means the land and real property on which the New Project will be situated;
- (q) **"New Project Transmission Facilities"** means a high tension transmission line of up to 18 kilometres beginning at the switchyard to be located at the site of the New Project and ending at the Mollejon Interconnection Point and all structures and equipment related to such high tension transmission line;
- (r) **"Operating Year"** means the 1<sup>st</sup> day of January to the 31<sup>st</sup> day of December in each year;
- (s) **"Original Power Purchase Agreement"** has the meaning ascribed to such term in the recitals hereto;
- (t) **"Producer"** means Belize Electric Company Limited and its successors and assigns;
- (u) **"Project"** means:
  - (i) prior to the New Project Commencement Date, the Mollejon Project; and
  - (ii) on and after the New Project Commencement Date, the Mollejon Project and the New Project;

- (v) "**Project Energy**" means the Electric Energy generated by the Project, net of Electric Energy used in the Project;
- (w) "**Subsidiary**" means, with respect to any person, any corporation, company or other business entity of which more than fifty per cent (50%) of the outstanding shares or other equity interests (in the case of persons other than corporations) having ordinary voting power to elect a majority of the board of directors or the equivalent thereof of such corporation, company or other business entity (irrespective of whether at the time shares of any other class or classes of the shares of such corporation, company or other business entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such person, by such person and one or more other Subsidiaries of such person, or by one or more other Subsidiaries of such person; and
- (x) "**Utility**" means Belize Electricity Limited and its successors and assigns.

## **ARTICLE II**

### **PURCHASE AND SALE OF ELECTRIC ENERGY**

#### **2.1 Project Energy.**

- (a) Beginning on the Commercial Operation Date and continuing throughout the entire term of this Agreement, the Producer hereby agrees to deliver the Project Energy at the Mollejon Interconnection Point or the New Project Interconnection Point, as the case may be, and the Utility hereby agrees to purchase all Electric Energy or power delivered by the Producer at such interconnection points.
- (b) Project Energy shall be delivered to the Utility at the Mollejon Interconnection Point or the New Project Interconnection Point, as the case may be, in a form, including voltage and frequency variation, that is compatible with the Utility's system and consistent with sound utility practices; provided, however, that in no event will the Producer be liable for property damage or personal injury, including death, suffered by the Utility, its servants or agents, or any third party as a result of variations in the characteristics of the Project Energy delivered by the Producer hereunder, and the Utility will hold the Producer harmless and indemnify it from all such claims.
- (c) Title and risk of loss for all Project Energy shall pass from the Producer to the Utility at the Mollejon Interconnection Point or the New Project Interconnection Point, as the case may be.

- (d) During any Operating Year, the Utility agrees not to purchase Electric Energy or power from any third party source unless the Utility has first purchased all Project Energy for such Operating Year. In addition, during any Operating Year, the Utility agrees that it will not use or generate Electric Energy or power from its own existing (as of the Commercial Operation Date) or increased (if, and to the extent that, the Utility increases its generating capacity from the capacity existing as of the Commercial Operation Date) generating capacity unless the Utility has first purchased all Project Energy for such Operating Year or obtained the Producer's consent.

### **ARTICLE III**

#### **COMPENSATION FOR PROJECT ENERGY**

**3.1**            **Price.** Beginning on the Commercial Operation Date and continuing through the entire term of this Agreement, for each amount of Project Energy specified in the left column below that is sold and delivered (or deemed to be sold and delivered) by the Producer during any Operating Year, the Utility shall pay the Producer at the rates specified with respect to such amount in the right column below:

Project Energy Price Per Kwh

- (a)    Less than or equal to  
      100,000,000 Kwh:            US \$0.0875
  
- (b)    For energy exceeding  
      100,000,000 Kwh:            US \$0.05

Provided that:

- (c)    the price per Kwh specified in item (a) above shall increase by 1.5% per annum on the 1st of April each year beginning as of and including April 1, 2001 until and including April 1, 2036, such increase to be calculated on the price applicable as at the 31st of March immediately prior thereto; and
  
- (d)    for certainty, effective as of April 1, 2001, no amounts shall become payable pursuant to Section 3.1 of the Original Power Purchase Agreement.

**3.2**            **Unanticipated Changes.** If:

- (a)    there are material unanticipated changes in the operating and capital costs of the Project due to circumstances which could not reasonably be foreseen and controlled by the Producer;

- (b) for reasons beyond the control of the Producer, the cost of constructing or operating the New Project is materially different from the estimates of such costs provided by the Producer to the Utility; or
- (c) the average production of the Mollejon Project is materially different from 80 Gwh per annum or the combined average production of the Mollejon Project and the New Project is materially different from 160 Gwh per annum,

then the Utility and the Producer undertake that they shall use their best efforts to negotiate appropriate amendments to the foregoing prices, subject to the approval of the Public Utilities Commission.

**3.3 Spilled Project Energy.** For the purposes of Section 3.1, there shall be deemed to have been sold and delivered an amount of Electric Energy equal to the amount of Electric Energy that could have been, but was not, generated by the Project as a result of the unwillingness or inability (including, without limitation, inability as a result of the New Project Transmission Facilities not being operational on the New Project Commencement Date) of the Utility to take such Electric Energy that was not generated.

**3.4 O&M Fee.** As compensation for operating and maintaining the Project in accordance with Section 10.1, the Utility shall pay the Producer a monthly fee equal to 5% of the gross electrical revenues received by the Utility for the resale of the Project Energy actually received by the Utility at the Mollejon Interconnection Point or the New Project Interconnection Point, as the case may be, during such month. This fee shall be paid in United States dollars, at the foreign exchange rate established from time to time in accordance with the Franchise Agreement.

## ARTICLE IV

### SCHEDULING OF PROJECT ENERGY

**4.1 Monthly Schedule.** The Utility shall control the operation of the Project and shall provide to the Producer a scheduled plan of deliveries of Project Energy not later than the 15th day prior to the commencement of each month for that month provided nonetheless that the scheduled plans may be revised from time to time by exigencies through consultation between officers of the Utility and the Producer respectively designated for the purpose. If the parties cannot reach agreement on such plan, the matter will be resolved as described in Article XIV.

**4.2 Telecommunications.** As part of the plan described in Section 4.1, each party agrees to install and maintain such telecommunications equipment as may be necessary to permit the efficient and orderly dispatch of the Project and the Utility's system. The parties shall agree on a cost sharing arrangement for such equipment and for implementing such plan so that the Producer will not incur greater costs or expenses than the Producer would have incurred in the absence of such plan.

## ARTICLE V

### INTERCONNECTION POINTS FOR NEW PROJECT ENERGY

**5.1**            **Interconnection.** Upon their completion, the Utility will interconnect the New Project and the New Project Transmission Facilities for the purpose of permitting the transfer of Electric Energy to and from the New Project. The interconnection facilities will be acceptable to the Producer as suitable for parallel operation with the Producer's equipment prior to the interconnection being made.

**5.2**            **Protective Devices.** The Utility also will provide and install protective relays, step-up transformers and other protective devices as the Utility may deem necessary in accordance with sound utility practices; provided, however, that such protective devices will be compatible with the Producer's equipment.

## ARTICLE VI

### METERING FOR PROJECT ENERGY

**6.1**            **Metering Devices.** The Project Energy will be metered by measuring devices located at the Mollejon Interconnection Point and the New Project Interconnection Point, as the case may be, to be owned, installed, maintained and read by the Producer in accordance with sound utility practices.

**6.2**            **Sealing of Meters.** The number and type of such metering devices shall be determined by the Producer, subject to the Utility's reasonable approval. All metering devices used to provide data for the determination of compensation due hereunder shall be sealed. The seals shall only be broken by the Producer when such metering devices are to be inspected and/or tested; provided, however, that the Utility shall receive prior notice thereof and shall have the right to be present during any such inspection and/or test.

**6.3**            **Inspection and Testing.** The Producer shall inspect and test all metering devices upon installation and at least annually thereafter. The Producer shall provide to the Utility reasonable prior notice of such inspections and tests and will permit a representative of the Utility to witness and verify such actions as well as any adjustments made as a result thereof; provided, however, that if such representative is not present at the designated time, the inspection, test or adjustment may proceed as scheduled. Upon the Utility's request and at its expense, the Producer will perform additional inspections or tests of any metering devices.

**6.4**            **Defective Meters.** If a metering device is defective or is found to be inaccurate, it will be adjusted, repaired, replaced or recalibrated by the Producer. Subject to the Producer's reasonable approval, the Utility may install and maintain, at its own expense, back-up metering devices in addition to the ones installed and maintained by the Producer.



**6.5**            **Inaccurate Meters.** If a Producer-installed metering device fails to register, or if the measurement made by such device is found upon testing to be inaccurate by more than 2% at the design calibration point, an adjustment will be made correcting all measurements made by such metering device for billing purposes for both the amount of the inaccuracy and the period of inaccuracy. If such period is not ascertainable, the previous records will be corrected back one-half of the time elapsed since the date of the last test. If the amount of the inaccuracy cannot be ascertained, the Project Energy delivered during such period will be determined on the basis of the best data available, using the following order of priority:

- (a)     the Utility's back-up meters, if installed and accurately registering;
- (b)     by correcting the error if the percentage is ascertainable by calibration, tests or mathematical calculation after the instrumentation is returned to service; or
- (c)     by estimating the Project Energy delivered based on deliveries during previous or subsequent periods under similar conditions when the instrumentation was or is operating accurately.

## **ARTICLE VII**

### **BILLING AND PAYMENT FOR PROJECT ENERGY**

**7.1**            **Invoices.** The Producer shall tender an invoice to the Utility on or before the fifth day of each month for all amounts payable by the Utility in accordance with this Agreement for Project Energy and the fee referred to in Section 3.4 through and as of the last day of the preceding month. Each invoice shall be accompanied by a statement setting forth the Project Energy delivered or deemed to have been delivered to the Utility in the preceding month and the compensation to be paid to the Producer in connection therewith.

**7.2**            **Payment.** Except as provided in Section 7.3, payments shall be due from the Utility within thirty days following tender of an invoice by the Producer. All payments required by this Agreement to be made to the Producer shall be made to a bank account designated by the Producer at the Belize bank or other financial institution as may be designated from time to time by the Producer. Such payments shall be made in immediately available United States dollars and shall be made in a manner that will permit the simultaneous and unconditional wire transfer of such funds either domestically or internationally. Any payment not so made when due shall bear interest from the date such payment was due until paid at a rate per annum equal to the prime rate, as quoted from time to time by the Chase Manhattan Bank N.A., New York, New York, plus 2%, but in no event shall such interest exceed the applicable maximum lawful non-usurious rate of interest.

**7.3**            **Disputes.** In the event that the Utility, in good faith, disputes any portion of the amount shown on any invoice, the Utility shall pay all of that portion of the invoice that it does not dispute (the "Undisputed Amount"). Any amount that is disputed, in good faith, by the Utility (a "Disputed Amount") and that is thereafter determined to be payable by the Utility, together with interest on such amount as provided below, shall be due and payable by the Utility within ten days after resolution of such dispute by written agreement of the parties or as provided in Article XIV. Any Disputed Amount determined to be payable by the Utility shall accrue interest at a rate per annum equal to the prime rate, as quoted from time to time by the Chase Manhattan Bank N.A., New York, New York, plus 2%, from the time payment originally would have been due until the payment is made, but in no event shall the interest on such unpaid portion exceed the applicable maximum lawful non-usurious rate of interest.

**7.4**            **Examination and Audits.** After reasonable prior notice to the other party, either party shall have the right, at its own expense and from time to time, to examine and audit, or to have an outside accounting firm, acceptable to the other party, examine and audit the other party's records for verification of payments due under this Agreement. Such records shall be retained by the parties for a period of at least three calendar years following delivery of the Project Energy to which such records pertain.

**7.5**            **Errors in Invoices.** In the event an error is discovered in the amount billed in any invoice rendered by the Producer, such error shall be adjusted by the Producer within sixty days of the determination thereof, provided that claim thereof shall have been made by the Utility or the Producer, as applicable, within sixty days of the date of discovery of such error, and in any event, within twelve months after the date of payment. Any erroneous amount paid to the Producer by the Utility as a result of a billing error shall be refunded to the Utility or credited against the following month's invoice, at the Producer's option. Any amount not paid by the Utility to the Producer shall be invoiced and paid ten days after receipt of invoice.

## **ARTICLE VIII**

### **STANDBY SERVICE FOR PROJECTS**

**8.1**            **Standby Service.** The Utility shall sell to the Producer, on a standby basis, all Electric Energy required to operate and maintain the Mollejon Project or New Project in excess of Project Energy. Such Electric Energy shall be metered separately by the Producer. Such Electric Energy shall be sold on an exchange basis only and shall be reflected as "in kind" debits or credits on the applicable monthly invoice.

## ARTICLE IX

### TRANSMISSION FACILITIES FOR PROJECTS

**9.1** **Mollejon.** The Utility, at its sole expense, will operate and maintain the Mollejon Transmission Facilities in accordance with sound utility practices and in a manner such that Project Energy may at all times be delivered to the Utility at the Mollejon Interconnection Point.

**9.2** **New Project.** If the Producer gives notice to the Utility that it intends to build the New Project, the Utility shall, at its sole expense, forthwith design, construct, install, test, operate and maintain the New Project Transmission Facilities in accordance with sound utility practices. The Utility shall construct the New Project Transmission Facilities to such specifications as are deemed suitable to the Producer, after consultation with the Utility.

**9.3** **Maintenance Plan.** The Utility will develop and implement a maintenance plan acceptable to the Producer that will include routine maintenance, repair and replacement of transmission equipment and a plan for maintaining the rights-of-way to permit reliable, efficient operation of the Mollejon Transmission Facilities and the New Project Transmission Facilities.

## ARTICLE X

### OPERATION AND MAINTENANCE OF PROJECT

**10.1** **Maintenance of Project.** The Producer will operate and maintain the Project in accordance with sound utility practices. During the term of this Agreement, the Producer will operate the Project in parallel with the Utility's system in accordance with guidelines agreed to by the Producer and the Utility pursuant to Article IV relating to synchronization, voltage control and generation of harmonic frequencies. The Producer agrees to use the operating fee described in Section 3.4 to pay for general and administrative expenses incurred by the Producer in operating and maintaining the Project including, but not limited to, labour, supplies, routine maintenance and repair and insurance premiums, if any.

**10.2** **Project Maintenance Plan.** The Producer will develop and implement a maintenance plan and schedule for the Project that is consistent with sound utility practices and that will enable the Project to deliver Project Energy for the term of this Agreement.

**10.3** **Unity Power Factor.** The Utility shall use all reasonable efforts to maintain a unity power factor on its system.

## ARTICLE XI

### TERM AND TERMINATION

**11.1**        **Term.** The term of this Agreement will commence on April 19, 1991 and, unless terminated earlier in accordance with the terms hereof, will continue thereafter until its expiration on (a) March 31, 2051 if the New Project is not built or (b) on the fiftieth anniversary of the New Project Commencement Date, if the New Project is built.

**11.2**        **Natural Catastrophe.** This Agreement may be terminated by the Producer upon five days' prior written notice if the Project is destroyed, severely damaged or its operation is substantially impaired due to natural catastrophe or casualty, unless the Producer makes a good faith determination that insurance or other proceeds to be received with respect to such damage or destruction will be sufficient to permit the Producer to repair or restore the Project and the Lenders (as that term is defined in the Franchise Agreement) have agreed to such repair or restoration.

**11.3**        **Termination on Default.** This Agreement may be terminated by either party for an event of default by the other party that is not cured as described in Article XII.

**11.4**        **Effect of Termination.** Upon the termination or expiration of this Agreement, the Producer's right, title and interest in and to the Mollejon Project will be transferred and assigned to the Government for one dollar US and the Producer shall have no further liability or responsibility with respect to the Mollejon Project or any matters related thereto or arising therefrom.

## ARTICLE XII

### EVENTS OF DEFAULT

**12.1**        **Events of Default.** Except as otherwise provided in Article XIII, the occurrence of any one of the following shall constitute an event of default under this Agreement:

- (a) either party commits a material breach of any of its obligations under this Agreement including, but not limited to, failure to timely pay any funds due and payable to the other party;
- (b) any attempt by the Utility or its employees, agents or contractors to operate or tamper with the Project or the interconnection facilities on the Producer's side of the Mollejon Interconnection Point or the New Project Interconnection Point, as the case may be, without the prior written consent of the Producer, except in situations where such actions

are taken to prevent immediate injury, death or property damage, which action results in damage to the Producer or its facilities;

- (c) a "Government Event of Default", as described in Section 8.2 of the Franchise Agreement or Section 13 of the Guaranty Agreement occurs; or
- (d) either party files a petition for relief as a debtor or bankrupt under any law; is determined by a court proceeding to be insolvent; files a petition or application to accomplish such result or for the appointment of a receiver or trustee for such party or a substantial part of its assets; or a proceeding is commenced by or against such party under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law, which proceeding is not dismissed within 120 days after its commencement.

**12.2**        **Cure Period.** If an event of default, other than a breach of the Utility's obligations under Article III, has occurred, the defaulting party shall have sixty days from the receipt of written notice from the non-defaulting party stating the nature of such default, to cure such default or, if such default cannot be cured within such sixty day period, to commence a cure within such period of time and diligently pursue the cure to completion within a reasonable period of time.

**12.3**        **Right to Cure.** In addition to the rights and remedies set forth herein, if the Utility commits an event of default hereunder, which is not cured within the applicable cure period hereunder and under the Guaranty Agreement, the Producer shall have the right (i) to terminate performance of its obligations hereunder, or (ii) to take such action, which may include the hiring of third parties as may be necessary to cure such default and the Utility shall be fully obligated to reimburse the Producer for the cost of curing such breach, including the Producer's indirect and internal costs.

## **ARTICLE XIII**

### **FORCE MAJEURE**

**13.1**        **Force Majeure.** If either party is prevented from performing any of its obligations hereunder by reason of an event of Force Majeure (except any obligation to make payment of funds) such party shall be excused from performance hereunder for so long as, and only to the extent that, the event of Force Majeure prevents its performance if (a) such party has notified the other party promptly of the existence of an event of Force Majeure and (b) such party diligently pursues reasonable steps to overcome the effects of the event of Force Majeure and to restore such party's ability to perform hereunder; provided, however, that neither party shall be obligated to settle any labour dispute except on terms satisfactory to such party, in its sole discretion.

**13.2**        **Definition.** The term "Force Majeure" shall mean causes that are not reasonably within the control of the party claiming Force Majeure including, but not limited to, acts of God; strikes, lockouts

or other industrial or labour disturbances; acts of the public enemy; wars; riots; epidemics; fires; explosions; lightning; hurricanes; floods; periods of low water flow in the Macal River; interruption by Government or court orders; actions; inactions or delays in acting of any regulatory body having proper jurisdiction; civil disturbances; inability to secure or delay in securing labour or materials, including delay in securing or inability to secure materials by reason of allocations promulgated by authorized governmental agencies; or any other cause, whether of the kind enumerated above or otherwise, so long as such cause is not reasonably within the control of the party claiming the event of Force Majeure and was not caused by such party's negligence or willful misconduct. Notwithstanding the above, delays or inability to perform resulting solely from foreseeable engineering design defects shall not be considered an event of Force Majeure.

## **ARTICLE XIV**

### **DISPUTE RESOLUTION**

**14.1**        **Negotiation to Resolve.** Except as provided herein for an Event of Default, it is the intention of the parties to make a good faith effort to resolve, without resort to arbitration or litigation, any dispute arising out of or related to this Agreement.

**14.2**        **Designation of Senior Executive.** In the event of a dispute arising out of this Agreement, each party shall promptly designate a senior executive with authority to resolve the dispute. The designated senior executives shall promptly begin discussions and shall use all reasonable efforts to reach a mutually satisfactory resolution of the dispute.

**14.3**        **Arbitrator.** If the senior executives cannot reach agreement within thirty days after the referral to them, either may refer the matter to arbitration in London, England under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules") by one or more arbitrators appointed in accordance with the ICC Rules. No arbitrator appointed pursuant to this Section 14.3 shall be a national of the jurisdiction of either party to this Agreement or of the jurisdiction of any shareholder or partner who owns directly more than 10% of the voting power of either party nor shall any such arbitrator be an employee or agent or former employee or agent of any such person.

## **ARTICLE XV**

### **ASSIGNMENT**

**15.1**        **No Assignment.** Except as otherwise provided herein, this Agreement shall not be assigned, in whole or in part, by either party without the prior written consent of the other party which consent shall not be unreasonably withheld or delayed.

**15.2**        **Permitted Assignment.** Notwithstanding Section 15.1, the parties agree that the Producer may without prior written consent of the Utility:

- (a) assign, mortgage or pledge this Agreement in favour of any person or entity providing financing for the Mollejon Project or the New Project or any agent acting for or on behalf of such person or entity and any such person, entity or agent may, without the consent of the Utility, assign the Agreement to any subsequent assignee upon and after the exercise of its rights and enforcement of its remedies under the security agreement creating an interest in its favour at law or in equity; and
- (b) the Producer may assign all or any of its rights hereunder to one or more of its Affiliates.

The parties agree to execute such documents as may be reasonably requested by any such person or entity to evidence and acknowledge such assignment, mortgage or pledge and the effectiveness of any such assignment, mortgage or pledge.

**15.3**            **Change of Control.** Nothing in this Agreement shall prohibit or limit the rights of the owners of the Producer to transfer, sell, assign or pledge any of their interests in the Producer.

**15.4**            **Successors and Assigns.** Subject to this Article XV, this Agreement shall be binding on, and inure to the benefit of, the parties' successors and permitted assigns.

## **ARTICLE XVI**

### **NOTICES**

**16.1**            **Notices.** All notices required or provided for in this Agreement shall be in writing and shall be delivered by hand; sent by registered or certified mail, postage prepaid, return receipt requested; sent by nationally recognized overnight courier; or sent by telecopier, receipt confirmed by sender; as follows:

If to the Producer:

Belize Electric Company Limited  
Mollejon Hydro-Plant  
Cayo District  
Belize  
Attention: Chief Executive Officer  
Telecopy No.: 093-7014

If to the Utility:

Belize Electricity Limited  
Mile 2 ½ North Highway  
Belize City, Belize, C.A.  
Attention: Chief Executive Officer  
Telecopy No.: 501-2-30891

or at such other address as either party may designate from time to time by a written notice given in accordance with this Article XVI. All notices provided hereunder shall be effective only upon actual delivery thereof.

## ARTICLE XVII

### MISCELLANEOUS

**17.1**        **Books and Records.** The Producer shall keep and maintain a complete and accurate set of books and records reflecting all transactions, operations and maintenance performed under this Agreement, and the costs thereof. The Utility or its designated representative shall have access to such books and records during normal business hours, subject to five days' prior notice. The Utility, at its expense, may examine, copy and audit such books and records. The Producer agrees to maintain such books and records for a period of three years after the Operating Year to which such books and records relate.

**17.2**        **Limitations on Liability.**

- (a)        In no event shall the Producer be liable, whether in contract, tort, negligence, strict liability or otherwise for any indirect, incidental or consequential damages of any nature arising at any time or from any cause whatsoever.
  
- (b)        The Utility shall indemnify and hold the Producer harmless from any claim, loss, or liability arising out of or relating to (i) variations or interruptions in the characteristics of the Project Energy carried from the Mollejon Interconnection Point over the Mollejon Transmission Facilities or the New Project Interconnection Point over the New Project Transmission Facilities, as the case may be, or (ii) the Project Energy once it arrives at the Mollejon Interconnection Point or the New Project Interconnection Point, as the case may be, including any claim due to physical injury or death.
  
- (c)        Section 17.2(b) shall apply to the full extent permitted by law and without regard to fault or negligence (other than the gross negligence of the Producer) and shall survive termination or expiration of this Agreement.



**17.3**            **Conduct at Project Sites.** All applicable regulations and rules that may be in effect at the Mollejon Project Site or the New Project Site regarding employment, passes, badges, safety and proper conduct on the property shall be observed by the Utility, the Utility's representatives and other employees when present at the Mollejon Project Site or the New Project Site.

**17.4**            **Independent Contractors.** The Producer at all times shall be deemed to be an independent contractor and none of its employees or the employees of its contractors shall be considered employees of the Utility.

**17.5**            **Severability.** The invalidity, in whole or in part, of any of the foregoing sections or paragraphs of the Agreement will not affect the validity of the remainder of such sections or paragraphs.

**17.6**            **Entire Agreement.** This Agreement contains the entire understanding between the Utility and the Producer with respect to agreements, whether written or oral, with respect to the matters contained herein and supercedes the Original Power Purchase Agreement and the Third Master Agreement (as that term is defined in the recitals hereto).

**17.7**            **Amendments in Writing.** No modification, amendment or other change to this Agreement will be binding on any party unless consented to in writing by the Utility and the Producer.

**17.8**            **Waivers.** Failure by either party to exercise any of its rights under this Agreement shall not constitute a waiver of such rights. Neither party shall be deemed to have waived any right resulting from any failure to perform by the other unless it has made such waiver specifically in writing.

**17.9**            **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same Agreement.

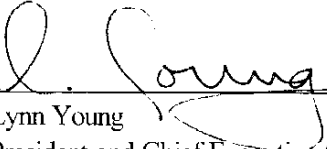
**17.10**        **Governing Law.** This Agreement shall be governed by the laws of Belize.

IN WITNESS WHEREOF, the parties have had this Agreement executed by their duly authorized representatives as of the date first written above.

SIGNED AND DELIVERED        )  
in the presence of:        )

\_\_\_\_\_ )  
Witness:  )

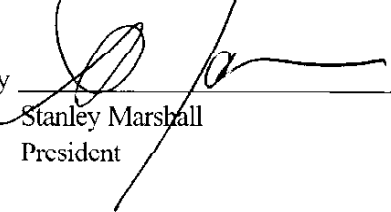
**BELIZE ELECTRICITY LIMITED**

By  \_\_\_\_\_  
Lynn Young  
President and Chief Executive Officer

SIGNED AND DELIVERED        )  
in the presence of:        )

\_\_\_\_\_ )  
Witness:  )

**BELIZE ELECTRIC COMPANY LIMITED**

By  \_\_\_\_\_  
Stanley Marshall  
President