

EQUIPMENT PURCHASE AGREEMENT

between

Energy Parts Solutions, LLC

and

Derwick Associates, S.A.

December 19, 2008



EQUIPMENT PURCHASE AGREEMENT

This Equipment Purchase Agreement (the "Agreement") is made effective this 19th day of December 2008 (the "Effective Date") between **ENERGY PARTS SOLUTIONS, LLC**, a Missouri company ("Seller"), and **DERWICK ASSOCIATES, S.A.**, a Panamanian company ("Buyer").

RECITALS

Buyer desires to purchase two refurbished (2) GE LM2500PE 60 Hz gas turbine generator sets as further described in Exhibit A (the "Equipment").

Seller desires to sell the Equipment to Buyer.

FOR AND IN CONSIDERATION of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, the parties agree as follows:

1. PURCHASE AND SALE OF EQUIPMENT

Upon the terms and subject to the conditions contained herein, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Equipment.

2. PURCHASE PRICE; PAYMENT TERMS

2.1 Purchase Price

The purchase price for the Equipment is U.S.\$19,000,000 (US\$9,500,000 for each gas turbine generator set) (the "Purchase Price").

2.2 Payment Terms

On or before December 23, 2008, the Buyer shall wire in immediately available funds U.S.\$2,500,000 to Seller. Within ten (10) days of Seller sending its Notice of Readiness to Ship for each of the gas turbine generator sets the Buyer shall cause to be wired in immediately available funds to Seller U.S.\$8,250,000 for the balance of the Purchase Price of the gas turbine generator ready to ship. All funds wired to Seller shall be sent according to the following instructions:

US Bank
3615 W Broadway Blvd
Sedalia, MO 65301
Routing Number: 081000210
Account Number: 152305958703
SWIFT Code is: USBKUS44IMT (that is an 'i' and not a 'l')

For payments not timely received by Seller, the Seller may then (i) charge a late fee of the lesser of 1 ½ % per month or the highest rate allow by applicable law will be assessed and owed by Buyer, (ii) retain any monies already paid as liquidated damages, and/or (iii) suspend or terminate this Agreement in whole or in part, in which case Buyer shall be responsible for any added costs related to said suspension termination.

3. ASSUMPTION OF LIABILITIES; REMOVAL AND TRANSPORTING OF EQUIPMENT; TITLE AND RISK OF LOSS

3.1 Assumption of Liabilities

After receipt of the Notice of Readiness to Ship, Buyer shall assume and agree to pay, perform and discharge when due all liabilities arising out of, in connection with, or related to the ownership, removal, operation, use, or maintenance of the Equipment relating to periods on or after said date.

3.2 Notice of Readiness to Ship; Removal and Transporting of Equipment

Seller estimates that it will complete its refurbishment activities and will provide Buyer with a written "Notice of Readiness to Ship" from its facility in Sedalia, Missouri on the first gas turbine generator package on or about February 27, 2008, and on or about March 30, 2008, for the second gas turbine package. In the event the Equipment is not ready to ship on the dates estimated or confirmed by Seller, Seller shall pay Buyer a penalty of \$5,000.00 per day until the Equipment is shipped. After the date of Notice of Readiness to Ship, and receipt of the balance of the Purchase Price for the gas turbine package, Seller agrees to permit Buyer and its representatives free and unencumbered access to Seller's facility so that Buyer can remove and transport the Equipment. Buyer will at all times while at Seller's facility abide by the applicable safety rules and regulations. Buyer will work closely with Seller's and its representative's and agent's personnel to ensure that Buyer's activities shall not interfere with any other activities on-going at Seller's facilities. Buyer shall remove all Equipment from the facilities no later than fifteen (15) days from the date of Notice of Readiness to Ship. After said period of time the Buyer agrees to pay Seller upon receipt of invoice storage fees of US\$2500 per day for any Equipment not so removed within the fifteen (15) day period. Seller agrees to cooperate with Buyer and provide all reasonable assistance in relation to Buyer removing the Equipment from Seller's facilities. In the event Buyer retains Seller to remove and transport the Equipment, then Buyer shall be responsible for all liabilities, costs and expenses incurred by Seller in doing so, and unless otherwise agreed between the parties, the Buyer shall advance payment of all estimated costs and expenses upon Seller's invoice. Seller is responsible for export crating.

3.3 Title and Risk of Loss

Title to and risk of loss, damage and destruction of the Equipment shall transfer from Seller to Buyer upon Buyer's receipt of the Notice of Readiness to Ship.

4. REPRESENTATIONS AND WARRANTIES

4.1 Seller hereby represents and warrants to Buyer that:

- (a) At the date of Notice of Readiness to Ship, Seller shall have full legal and beneficial title to the Equipment, free and clear of any and all security interests, liens, claims, charges or encumbrances of any nature whatsoever, together with full power and lawful authority to deliver the Equipment to Buyer; and Seller shall have transferred good and marketable title to the Equipment to Buyer.
- (b) Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted. Seller is duly qualified to transact business and is in good standing in each jurisdiction in which its ownership of the Equipment and commitments made hereunder makes such qualification necessary.

- (c) Seller has the requisite power and authority to execute this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated by this Agreement have been duly authorized by all necessary action on the part of Seller. This Agreement has been duly executed and delivered by Seller and, assuming due execution and delivery by Buyer, constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.
- (d) The execution and delivery by Seller of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) violate any provision of the constituent documents of Seller, (ii) violate any order of any governmental authority to which Seller is bound or subject, (iii) violate any applicable law, or (iv) result in the imposition or creation of any lien upon the Equipment.
- (e) No order or permit issued by, or declaration or filing with, or notification to, or waiver from any governmental authority is required on the part of Seller in connection with the execution and delivery of this Agreement, or the compliance or performance by Seller with any provision contained in this Agreement.
- (f) There is no legal action or order pending or overtly threatened against Seller that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby.
- (g) Seller is, with respect to the Equipment and this Agreement, in compliance with all applicable laws.
- (h) No rights of first offer or other preferential rights to purchase any of the Equipment are held by third parties.
- (i) There are no defects in material and workmanship in the Equipment for a period of twelve (12) months from the installation of the Equipment at Buyer's site or eighteen (18) months from the date of Notice of Readiness to Ship, whichever occurs first. In the event of a warranted defect in the Equipment occurs during the warranty term and Buyer so notifies Seller within said period, Seller shall correct such defect by either repair or making available a repaired or replacement Equipment, or part thereof, at Seller's place of repair/replacement. Buyer shall be responsible for removing, transporting and installing any defective or repaired/replaced Equipment or part thereof. The terms set forth in this Section 4.1(i) sets forth the exclusive remedies for all claims based on failure of or defect in the Equipment provided under this Agreement whether the failure arises before, during or after the warranty period and whether said claim is based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise. The duties of Seller under this Section 4.1(i) do not extend to any repairs, adjustments, alterations, replacements or maintenance that may be required as a result of normal wear and tear in the operation of the Equipment, normal degradation in the performance of the Equipment, or as a result of (i) improper repair or alteration by Buyer or any other person (other than Seller or its affiliates), (ii) misuse, negligence or damage by Buyer or any other person (other than Seller or its affiliates), (iii) misuse, negligence or damage by Buyer or other persons, (iv) excessive operation at peak capacity, frequent starting, type of fuel, detrimental air inlet conditions, or erosion, corrosion or material deposit of fluids. The warranty and remedies are further conditioned upon (a) the proper storage, installation, operation and maintenance of the equipment and conformance with the operation and instruction manuals provided by the suppliers and manufacturers and (b) repair or modification pursuant to the instructions of the suppliers and manufacturers and as otherwise directed by Seller. **SELLER HEREBY DISCLAIMS ANY OTHER WARRANTY EXPRESS, IMPLIED, STATUTORY**

OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO THE EQUIPMENT.

4.2 Buyer hereby represents and warrants to Seller that:

- (a) Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted. Buyer is duly qualified to transact business and is in good standing in each jurisdiction in which its commitments hereunder makes such qualification necessary.
- (b) Buyer has the requisite power and authority to execute this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated by this Agreement have been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and, assuming due execution and delivery by Seller, constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.
- (c) The execution and delivery by Buyer of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) violate any provision of the constituent documents of Buyer, (ii) violate any order of any governmental authority to which Buyer is bound or subject, or (iii) violate any applicable law.
- (d) No order or permit issued by, or declaration or filing with, or notification to, or waiver from any governmental authority is required on the part of Buyer in connection with the execution and delivery of this Agreement, or the compliance or performance by Buyer with any provision contained in this Agreement.
- (e) There is no legal action or order pending or overtly threatened against Buyer that seeks to restrain or prohibit or otherwise challenge the consummation, legality or validity of the transactions contemplated hereby.
- (f) Seller is not or will not become obligated to pay any fee or commission or like payment to any broker, finder or financial advisor as a result of the consummation of the transactions contemplated by this Agreement based upon any arrangement made by or on behalf of Buyer.

5. INDEMNIFICATION

Buyer assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless Seller and its directors, officers, and employees from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability in tort), actions, suits, costs, expenses and disbursements, including, without limitation, reasonable attorney's fees and expenses, of any kind or nature, which may be imposed on, incurred by or asserted against Seller arising out of and in connection with (i) Buyer's obligations under this Agreement, (ii) acceptance, ownership, delivery, possession, use, operations, maintenance, repair, function, registration, sales, return, storage, or other disposition of the Equipment or any accident in connection therewith after the transfer of the title of the Equipment to Buyer on the date of Notice of Readiness to Ship (except for defects in the equipment, latent or otherwise), or (iii) the negligence of Buyer, its employees, representative, contractors and agents.

6. TAXES

Buyer shall be responsible for and shall pay when due any and all taxes, duties, fees or other charges (including ad valorem, consumption, excise, franchise, gross receipts, import, license, property, sales, stamp, use or value added taxes) imposed by any governmental authority which relate to the transactions under this Agreement. Upon request, either party agrees to furnish to the other evidence of any applicable tax or duty exemption acceptable to the taxing or customs authorities. In the event Buyer is obligated by law to deduct or otherwise withhold from the amounts due to Seller under this Agreement any taxes, duties or other charges for which it is responsible, then it agrees to pay such additional amounts to Seller to equal the full amount for which Seller is entitled and shall provide Seller with accurate official receipts from the appropriate governmental authority for the deducted or withheld amounts.

7. DEFAULT; REMEDIES

7.1 Events of Default

If any one of more of the following events of default (herein "Event of Default") shall happen, then this Agreement may at the option of the party not in default be terminated:

- (a) If either party shall default in the due and punctual payment of any sum due to the other which default shall not be cured within five (5) business days after written notice of default to the defaulting party;
- (b) If either party shall default in the performance of any of the material provisions contained in the Agreement, which default shall continue for five (5) business days after written notice of default to the defaulting party; or
- (c) If any representation or warranty made by either party herein or made in any statement or certificate furnished or required hereunder, or in connection with the execution and delivery of this Agreement, proves untrue in any material respect as of the date of issuance or making hereof.

7.2 Remedies

- (a) Upon the occurrence of an Event of Default by Seller, Buyer may demand the immediate return of any moneys paid by Buyer to Seller as of the date of the Event of Default, but Buyer's receipt of such sums shall not limit or impair Buyer's rights, which Buyer may have as a result of Seller's default, nor constitute an election of remedies by Buyer unless expressly stipulated herein otherwise.
- (b) Upon the occurrence of an Event of Default by Buyer, Seller may be entitled to retain any moneys paid by Buyer for purposes of applying the same against Seller's damages arising from the default by Buyer or as liquidated damages. Seller's retention of such sums shall not limit or impair Seller's rights, which Seller may have as a result of Buyer's default, nor constitute an election of remedies by Seller unless expressly stipulated herein otherwise.

8. MISCELLANEOUS

8.1 Notices

Any and all notices given, or required to be given hereunder shall be in writing and shall be deemed to have been adequately given when received by the party to whom such notice is being given. Notices

shall be addressed if to Seller to: ENERGY PARTS SOLUTIONS, LLC, Attn: Jeff Canon, 2031 Adams Road, Sedalia, MO 65301; and if to Buyer to: DERWICK ASSOCIATES, S.A., Attn: Alejandro Betancourt Lopez, MMG Tower, Piso 16, Calle 53, Urbanizacion Marbella, Ciudad de Panama, Republica de Panama, Presente, or such other address as the respective parties hereto shall from time to time designate in writing to the other party.

8.2 Captions

Caption and section headings set forth are for convenience of reference only and shall not in any manner be deemed to limit or restrict the context of the section to which they relate.

8.3 Applicable Law

This Agreement is entered into and shall be governed by and interpreted in accordance with the laws of the State of Missouri notwithstanding its conflict of law provisions.

8.4 Entire Agreement

This Agreement supersedes all prior understandings, representations, negotiations, and correspondence between the parties and constitutes the entire Agreement between the parties with respect to the transaction contemplated and shall not in any manner be supplemented, amended or modified by any course of dealing, course of performance or usage of trade or by any other means except by a written instrument executed on behalf of the parties by their duly authorized officers.

8.5 Confidentiality

Seller and Buyer agree to treat this Agreement and the terms hereof as confidential and not to, without the prior written consent of the other party hereto, disclose the terms hereof to any other person except (i) to its counsel and accountants or other agents or professional advisors in connection with or relating to the transactions contemplated by this Agreement, (ii) to any court, governmental agency or instrumentality or other supervising body requesting such disclosure, (iii) to any person as may be required by any government regulation or order (including any regulation, request or order of a bank regulatory agency or authority), law, statute, regulations, decrees, subpoenas or court orders, (iv) its directors, officers, employees, affiliates, successors and assigns, (v) to any banks or other financial institutions in any debt financing by or for the benefit of Buyer or (vi) in connection with any enforcement of the terms of this Agreement. Seller and Buyer shall cause its officers, directors, agents, and employees to comply with the foregoing paragraph.

8.6 Further Assurances

Seller and Buyer agree that from and after the date of Notice of Readiness to Ship is made and received, each of them will, and will cause their respective representatives and affiliates, to execute and deliver such further instruments of conveyance and transfer and take such other action as may reasonably be requested by any party hereto to carry out the purposes and intents hereof.

8.7 Casualty Loss

If, subsequent to the date of this Agreement and prior to the date the Notice of Readiness to Ship is received by Buyer, any portion of the Equipment is destroyed by fire or other casualty, is taken in condemnation or under the right of eminent domain, or proceedings for such purposes are pending or threatened (collectively, "Casualty Loss"), Buyer shall have the option to either (a) purchase the Equipment notwithstanding any such Casualty Loss, and the Purchase Price shall be equitably adjusted

per the mutual agreement of the parties or (b) terminate this Agreement without further obligation of either party except that the Buyer shall be entitled to the return of the full amount of any amount of the Purchase Price paid to Seller. In the event of subpart (a) above Seller shall (i) on the date of Notice of Readiness to Ship, pay to Buyer all sums paid to Seller by third parties by reason of the Casualty Loss of such Equipment, (ii) assign, transfer and set over unto Buyer all of the right, title and interest of Seller in and to any unpaid awards or other payments from third parties arising therefrom, and (iii) not voluntarily compromise, settle or adjust any material amounts payable by reason of any Casualty Loss of any portion of the Equipment without first obtaining the written consent of Buyer.

8.8 Expenses

Except as otherwise set forth in this Agreement, Seller and Buyer shall each bear its own expenses (including, without limitation, attorney's fees) incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

8.9 Submission to Jurisdiction

The parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the federal or state courts sitting in Missouri, and any appellate court from any thereof, for the resolution of claim or dispute relating to or arising under this Agreement.

8.10 Excusable Delay

Neither Seller nor Buyer shall be responsible to the other for any delay ("Excusable Delay") in the performance of its duties under this Agreement (other than payment obligations) due solely to any cause beyond its reasonable control and not occasioned by its intentional act, fault or negligence including, but not limited to acts of God, strikes, lockout or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or any state or local government or any of their departments, agencies or officials, or any civil or military authority, insurrections, riots, earthquake, fire storm, restraint of government and people, civil disturbances, or explosions. Either Seller or Buyer shall promptly notify the other when it anticipates that an Excusable Delay has occurred or is likely to be incurred and in each case specify to the extent practicable the estimated extent of such delay. Except for an Excusable Delay, time shall be of the essence in the parties fulfilling their obligations under this Agreement.

8.11 Severability

If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect.

8.12 Limitation of Liability

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR OTHERWISE, NO PARTY HERETO (OR ITS SUBSIDIARIES, AFFILIATES OR ASSIGNS) SHALL, UNDER ANY CIRCUMSTANCE, BE LIABLE TO ANY OTHER PARTY (OR ITS SUBSIDIARIES, AFFILIATES OR ASSIGNS) FOR ANY CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES CLAIMED BY SUCH OTHER PARTY UNDER THE TERMS OF OR DUE TO ANY BREACH OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE OR INCOME, COST OF CAPITAL, OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY.

8.13 Binding Effect; Assignment This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. No assignment of this Agreement or of any rights or obligations hereunder may be made by Seller or Buyer (by operation of law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void.

8.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the day and year first above written by their duly authorized officers or representatives.

Seller:

ENERGY PARTS SOLUTIONS, LLC

By: 

Print Name: SCOTT DIEBALL

Title: VICE PRESIDENT

Date: 12/19/08

Buyer:

DERWICK ASSOCIATES, S.A.

By: 

Print Name: Alejandro Betancourt Lopez

Title: Director

Date: 12/19/08

Exhibit A

Equipment Description

Gas Turbine Generator Set No.1 – Newly Refurbished Dresser Model LM2500PE

- Package Data
 - Dresser
- Engine Data
 - LM2500PE Engine
 - Fuel System: Dual Fuel
 - Water Injected
 - Control System: Updated by PES to Woodward MicroNet
- Generator Data
 - Manufacturer: Holec
 - Model No: DTG 177 ZM-02
 - Serial No: 1-5502-1/81
 - Voltage: 13.8 kV
 - Rating: 30,000 kVA
 - Power Factor: 0.8
- Additional Scope Included with Package
 - Modular Control House Containing
 - Main Generator Circuit Breaker
 - Gas Turbine Control Panel
 - Gas Turbine Motor Control Center
 - Control Batteries & Chargers
 - Air Conditioning
 - Hydraulic Start Skid
 - Exhaust Stack
 - Liquid Fuel System
 - Low Pressure Filters
 - Liquid Fuel Supply Pumps
 - Liquid Fuel High Pressure Pump
 - Liquid Fuel High Pressure Air Filter
 - Gas Fuel System
 - Gas Fuel Separator & Regulator Skid
 - Gas Fuel Filter

Gas Turbine Generator Set No. 2 – Newly Refurbished Stewart & Stevenson Model 7 LM2500PE

- Package Data
 - Stewart & Stevenson
- Engine Data
 - LM2500PE Engine
 - Fuel System: Dual Fuel
 - Water Injected

- Control System: Updated by GE to Woodward MicroNet in 2005
- Generator Data
 - Manufacturer: Brush Electric Machines
 - Model No: BDAX 7-167E
 - Serial No: 61314A-1G
 - Rating: 27,765 Kva
 - Voltage: 13.8 KV
 - Power Factor: 0.85
- Additional Scope Included with Package
 - Modular Control House Containing
 - Main Generator Circuit Breaker
 - Gas Turbine Control Panel
 - Gas Turbine Motor Control Center
 - Control Batteries & Chargers
 - Air Conditioning
 - Station Service Auxiliary Transformer 13.84 Kv/ 80V
 - Hydraulic Start Skid
 - Exhaust Stack & Diverter Assembly
 - Liquid Fuel System
 - Low Pressure Filters
 - Liquid Fuel Supply Pumps
 - Liquid Fuel High Pressure Pump
 - Liquid Fuel High Pressure Air Filter
 - Gas Fuel System
 - Gas Fuel Separator & Regulator Skid
 - Gas Fuel Filter

Each Gas Turbine Generator Set will include the following:

- LM2500PE Water injected gas turbine completely overhauled and configured for both natural gas and liquid fuel operation.
- Coupling for direct drive at 3600 rpm, 60hz operation
- Weatherproof acoustic enclosure for gas turbine and electric generator
- "Single lift" I beam base plate to support turbine and 23.4 MW Brush generator (13.8KV)
- New Air inlet filtration system for GT combustion air, generator cooling air and compartment ventilation systems.
- Turbine exhaust system including industrial grade silencer and stack
- Separate lube oil systems for turbine and generator including fin-fan coolers
- Electro hydraulic starting system
- Fire detection and extinguishing system
- New or Refurbished Electronic control panel for gas turbine & generator including 24v control batteries and charger
- Gas turbine water wash system
- Neutral and line side cubicles mounted including CT's and lightning arrestors (ProEnergy Services electrical scope ends at these cubicles)
- One modular control room with Turbine Control Panel. Generator Control Panel, GTG MCC's, batteries and chargers.

Exclusions:

- Balance of plant and energy optimization controls
- Building, foundations, anchor bolts, embedments and grouting
- Bus bars and bus duct beyond generator lineside and neutral enclosures
- Distributed plant control
- Filter house support structure, other than standard
- Field Supervision
- Fuel, fluids and chemicals
- Fuel storage tanks, forwarding equipment and primary fuel filter
- Gas compression, filtration, and separation or regulation equipment
- High voltage transformer(s), cables, switchgear and associated equipment
- Interconnecting piping, conduit, and wiring between equipment modules (site layout is unknown at this time)
- Plant utilities
- Power plant calibration tools and ordinary hand tools
- Spare parts (quoted separately)
- Transportation to job site and off loading of equipment
- Water injection pressurization equipment
- Water treatment and purification equipment
- Yard light and fences
- Any other equipment or service not described in our written proposal is also excluded.