

Appendix B
Water Rights Agreement

WATER SUPPLY AGREEMENT

This Water Supply Agreement (“Agreement”) is entered into this 19th day of February, 2008, between White Pine County, a political subdivision of the State of Nevada (the “County”), and White Pine Energy Associates, LLC, a Delaware limited liability company (“WPEA”). The County and WPEA are referred to individually as a “Party,” and collectively as the “Parties.”

RECITALS

A. The County controls certain water rights (the “Water Rights”) granted by the Nevada State Engineer for development and operation of an electrical power generating facility in White Pine County. The Water Rights, designated as Permits No. 72728 through 72749, inclusively, are attached as, and more particularly described in, Exhibit A.

B. The County desires to support the construction and operation of an electrical power generating facility within the County in order to provide jobs, tax revenues and other economic and social benefits to the County and its residents.

C. WPEA is actively developing a nominal 1,600 MW electrical generating facility in White Pine County, the final location of which will be specified in the BLM’s Record of Decision (the “BLM ROD”) for the White Pine Energy Station (the “Power Facility”). WPEA has made substantial expenditures and made substantial progress in obtaining permits, authorizations, and other prerequisites to construction and operation of the Power Facility.

D. The Parties entered into an Interim Development Agreement dated February 25, 2004, as extended by written notice on February 1, 2006, (the “Interim Agreement”) that addresses, among other things, the use of the Water Rights for the Power Facility. In the Interim Agreement, the County agreed to enter into a lease or other water supply agreement pursuant in which the Water Rights would be committed exclusively to WPEA for development and operation of the Power Facility.

E. WPEA is designing and permitting the Power Facility mindful of water resources and has reduced its maximum water usage as a result of input from the public, governmental agencies and other stakeholders. WPEA intends to utilize up to 5,000 acre-feet annually to support the construction, operation and maintenance of the Power Facility as currently designed and permitted. The number and location of the points of diversion to support the Power Facility will not be known with certainty until such time that final, unappealable permits have been issued for the Power Facility including but not limited to the BLM ROD.

F. WPEA has entered into a Memorandum of Understanding with the State of Nevada to implement additional technology to capture and sequester carbon when this technology becomes technically feasible and commercially viable for the Power Facility. While the design and operation of this future technology is unknown, current research and pilot projects indicate that this

technology will require additional water for cooling purposes. Based on available information, WPEA needs to reserve an additional 5,000 acre-ft per year of water for this future technology or for other future technologies that may be implemented at the Power Facility.

G. The County has determined that, in light of the substantial financial investment and progress WPEA has made with respect to the Power Facility, it is prepared to enter into this Agreement.

AGREEMENT

For good and valuable consideration, the Parties agree as follows:

1. Use of the Water Rights. The County hereby commits and grants to WPEA the sole and exclusive right to develop, exercise and put to beneficial use the Water Rights for the construction, operation, maintenance, replacement, repair and reclamation of the Power Facility and including all uses ancillary thereto, for a total combined duty of up to and including 10,000 acre-ft annually of such Water Rights.

2. Term of Agreement. This Agreement shall become effective on the date written above and the term of this Agreement shall continue for the entire "Useful Life" of the Power Facility, subject only to the rights of termination contained this Agreement. "Useful Life" as used in this Agreement is defined as that period of time from the effective date of this Agreement until the Power Facility, as it may be modified, enhanced or replaced, has been permanently retired from service and the Water Rights are no longer needed for closure or reclamation of the Power Facility.

3. Ownership of the Water Rights. Title to the Water Rights shall at all times remain vested in the County. WPEA shall not be entitled to use the Water Rights for any purpose other than those expressly set forth herein.

4. Maintenance of the Water Rights. WPEA agrees to abide by all necessary rules and regulations promulgated by the State of Nevada related to the development, use and maintenance of the Water Rights for the Power Facility, and to perform at its own expense all filings and other activities required by such rules and regulations. The County agrees, upon execution of this Agreement, to provide written notification to the Nevada State Engineer that WPEA has the authority to perform such filings and activities and, to the extent necessary, the County shall timely ratify any such filings or actions made or taken by WPEA if required by the Nevada State Engineer. The Parties agree to provide each other with copies of all filings, notices or other communications either Party makes or receives in connection with the Water Rights.

5. Relinquishment of the Water Rights.

5.1 Water Rights Relinquished. Upon approval of this Agreement WPEA shall relinquish by written document WPEA's contract rights to 8,000 acre feet of water permits, numbered 72738; 72739; 72740; 72741; 72742; and, 72744, together with a pro rata rate of diversion.

5.2 Permits for Construction. Within 30 days of receipt of all unappealable, final permits for the construction of the Power Facility, WPEA shall provide notice to the County which Water Rights permits, or portions of thereof, are to be retained by WPEA to provide the 10,000 acre-ft of water required annually for the Power Facility. WPEA shall relinquish to the County the remaining 7,000 acre-ft of the Water Rights.

5.3 Other. WPEA may relinquish to the County all or any portion of the Water Rights at any time WPEA determines such Water Rights are no longer needed for the construction, operation, maintenance, replacement, repair and reclamation of the Power Facility. In the event, WPEA releases all or any portion of the Water Rights, WPEA shall provide such notice to the White Pine County and execute and deliver such documents as are reasonably necessary to reflect such relinquishment. WPEA shall thereafter be relieved of all further obligations under this Agreement with respect to the Water Rights so relinquished.

6. Responsibility, Payments and Costs.

6.1 Pre-Construction Payments. Upon execution of this Agreement, WPEA shall pay to County the sum of \$2.00 per acre foot times 17,000 acre feet for a total of \$34,000 per year or fraction thereof as consideration for this Water Supply Agreement. This payment shall cease upon commencement of construction.

6.2 Construction Payments. Upon commencement of construction WPEA shall pay to County a sum as and for consideration of the use of the leased water, \$10.00 per acre foot times 10,000 acre feet annually for a total of \$100,000 per year or fraction thereof during the construction phase; this payment shall cease upon commencement of commercial operations. Payments shall be made annually in advance and any necessary payment adjustments shall be settled at the end of the year.

6.3 Responsibility and Costs. WPEA shall be responsible for and shall bear all direct costs of permitting for and the construction, operation and maintenance of the wells, water pipelines, pumping stations, and other facilities required to place the Water Rights to beneficial use for the Power Facility, and of any pump tests or other tests or monitoring necessary to develop or maintain the Water Rights. Beyond the actions, and costs set forth in paragraphs 6.1 and 6.2 of this Agreement, WPEA shall not be required to pay the County a fee for use of the Water Rights, the consideration provided to the County through the Interim Agreement including, new jobs, an increased tax base and other economic benefits, being adequate consideration for this Agreement. In addition, upon termination of this Agreement at the end of the Useful Life of the Power Facility (i) any wells, pipelines, or other water-related facilities that have been constructed or installed in connection with the conveyance of water pursuant to the Water Rights to the Power Facility, not including any such facilities on the Power Facility site, and (ii) any available reports, data or other information developed by WPEA in connection with development of the Water Rights, shall, to the extent permitted, become the property of the County.

7. Cooperation. The County hereby agrees to cooperate as the owner of the Water Rights and to take any and all actions required of it for the proper development, permitting and utilization of the Water Rights for the Power Facility, including but not limited to any necessary changes in place of use or point of diversion required by WPEA for construction, operation, maintenance, modification, expansion, replacement, repair and reclamation of the Power Facility. Any such necessary filings shall be in the name of the County.

8. Exclusivity of Use. The County hereby commits and covenants that at all times during the term of this Agreement, except with respect to any portion of the Water Rights relinquished to the County by WPEA, the County will make no other commitments, verbal, implied, written or otherwise, of the Water Rights to any other third party during the term of this Agreement, nor will the County itself utilize or attempt to utilize such Water Rights except as may be necessary for construction, operation, maintenance, replacement, repair and reclamation of the Power Facility and with the agreement of WPEA. The County further commits and covenants that it will not, without the prior written consent of WPEA, (a) take any action which could cause the abandonment of the Water Rights or (b) apply for, seek or implement any action which would change the status of the Water Rights other than those actions required of the County to facilitate the construction, operation, maintenance, replacement, repair and reclamation of the Power Facility. The County may use, or may lease to third parties, any portion of the Water Rights so relinquished by WPEA to the County, but any such use or lease shall not in any manner affect the prior rights of WPEA. During the term of this Agreement, WPEA shall have the right to lodge protests with the Nevada State Engineer and oppose any applications to change which may conflict with the Water Rights utilized by WPEA.

9. Representations and Warranties. The County represents and warrants that, as of the date of execution of this Agreement and throughout its term, (a) the Water Rights are and will remain valid and in good standing under applicable law; (b) it holds title to the Water Rights free and clear of all liens, claims or other encumbrances, and has not contracted, optioned or otherwise obligated the Water Rights to any third party; (c) it has the authority to enter into this Agreement; and (e) the County has satisfied all legal preconditions to entering into this Agreement, including holding a public hearing and issuing written findings that meet the requirements of NRS § 533.550.

10. Assignment and Subordination. WPEA shall have the right to assign, subordinate or pledge this Agreement and its rights hereunder for the purpose of obtaining financing or otherwise funding development of the Power Facility without the consent of the County. WPEA shall also have the right to assign its rights under this Agreement to a successor in interest to the Power Facility or a portion thereof, provided, however, that any such assignment shall require the prior written consent of the County, which consent shall not be unreasonably withheld. The form of the consent and condition of the consent shall be governed solely by the requirement that the successor utilize the Water Rights for the purpose approved by the State of Nevada, and in accordance with this Agreement.

11. Termination.

11.1. Non-performance or Suspension. Subject to an event of Force Majeure, in the event that WPEA or its successor is unable to initiate construction of the Power Facility within five years of the effective date of this Agreement, or if WPEA or its successor begins construction or operation of the facility but then suspends such construction or operation for a period of more than five consecutive years, the County shall, upon 180 days written notice, have the right to terminate this Agreement unless WPEA initiates or resumes, as applicable, such construction or operation.

11.2. Perpetuities. To the extent that this Agreement could be construed to create, for purposes of the Nevada Rule Against Perpetuities (NRS § 111.103 et seq.), a non-vested property interest for any period of time, the Parties agree that such interest shall vest, if at all, within the time period allowed by such rule.

12. Rights and Remedies.

12.1 Default and Cure. If either Party believes that the other Party has defaulted in any material respect in the performance of any obligation under this Agreement, such Party shall notify the other Party in writing setting out specifically the nature of the default. The allegedly defaulting Party shall then be entitled to (a) cure such default within 30 days, (b) commence to cure the alleged default within 30 days and thereafter diligently complete such cure, or (c) challenge the legitimacy of the allegation. If the allegedly defaulting Party challenges the legitimacy of the allegation and it is finally determined in a court of competent jurisdiction that a default in fact occurred, the defaulting Party shall then have the right (x) to cure such default within 30 days or (y) to commence to cure the alleged default within 30 days and thereafter diligently completes such cure. The County agrees to notify any lenders of WPEA previously identified to the County by WPEA of any alleged default concurrently with any notification given to WPEA and to accept performance by such lenders of any obligation of WPEA under this Agreement.

12.2 Remedies. In the event a Party does not cure or challenge a default within the times permitted by Section 12.1, the other Party shall have all rights and remedies provided under Nevada law for a default under this Agreement. The Parties expressly acknowledge that in the event of a breach of this Agreement by the County, WPEA would be irreparably harmed and monetary damages would be inadequate. Accordingly, it is agreed that, in addition to any other remedy to which WPEA may be entitled at law or in equity, WPEA shall be entitled to an injunction (without the posting of any bond or other security and without proof of damages) to prevent breaches or threatened breaches of this Agreement and/or to compel specific performance of the Agreement. The Parties further acknowledge that such rights and remedies shall not be mutually exclusive, and the exercise of one or more of such rights and remedies shall not preclude the exercise of any other rights and remedies.

13. Notices. Any notice provided for in or concerning this Agreement shall be in writing and be deemed sufficiently given when sent by certified or registered United States mail or by

overnight delivery by a nationally recognized carrier to the respective address of the County and WPEA as set forth below:

If to the County: White Pine County Commission
 Attn: Chairman
 801 Clark Street, Suite 4
 Ely, Nevada 89301
 (775) 289-2341

 White Pine County
 Attn: District Attorney
 801 Clark Street, Suite 3
 Ely, Nevada 89301
 (775) 289-8828

If to WPEA: White Pine Energy Associates, LLC
 Attn: Project Manager
 400 Chesterfield Center, Suite 110
 St. Louis, MO 63017
 (636) 532-2200 (v)
 (636) 532-2250 (fax)

 White Pine Energy Associates, LLC
 Attn: General Counsel
 Two Tower Center, 11th Floor
 Newark, NJ 08816
 (732) 249-6750 (v)
 (732) 249-7290 (fax)

14. Recording. A copy of this Agreement shall be recorded in the official records of the White Pine County Recorder concurrently with the execution and delivery hereof and a copy shall also be filed with office of the Nevada State Engineer, Carson City, Nevada, with the applicable notice thereof being placed in Permits No. 72728 through 72749.

15. Effect on the Interim Agreement. To the extent this Agreement contains terms that are inconsistent with Section 10(a) of the Interim Agreement, this Agreement shall be an amendment of the Interim Agreement that supersedes and replaces such inconsistent terms.

16. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Nevada.

17. Entire Agreement. This Agreement shall constitute the entire agreement between the Parties and supersedes any prior understanding, representation, or agreement of the Parties regarding the subject matter hereof. Any modification of this Agreement or additional obligation

assumed by either Party in connection with this Agreement shall be binding only if evidenced in writing signed by each Party or an authorized representative of each Party.

18. No Waiver. No delay or failure by either Party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute waiver of that or any other right, unless expressly provided herein. Either Party may, by notice delivered in the manner provided in this Agreement, but shall not be under obligation to, waive any of its rights or any conditions to its obligations hereunder, or any covenant or duty of any other Party. No waiver shall affect or alter the remainder of this Agreement, and each and every covenant, duty, and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

19. Necessary Acts and Further Assurances. The Parties hereby agree to do any act or thing and to execute any and all instruments required by this Agreement and which are necessary and proper to make effective the provisions of this Agreement. Such actions and additional instruments may include documents deemed reasonably necessary by WPEA to protect its interest under this Agreement and the recording and filing of additional or supplemental instruments in White Pine County or with the Nevada State Engineer from time to time.

20. Force Majeure. The failure to perform or to comply with any of the obligations under this Agreement, either expressed or implied, on the part of a Party shall not be a ground for termination of this Agreement, and such Party shall not be liable for failure to perform its obligations during any period in which performance is prevented, in whole or part, by events of "Force Majeure".

20.1 Definition of "Force Majeure." The term "Force Majeure" shall include events or causes beyond the reasonable control of a Party including labor disputes; acts of God; actions of the elements, including inclement weather, floods, slides, cave-ins, sinkholes, earthquakes, and drought; laws, rules, regulations, orders, directives, and requests of governmental bodies or agencies; delay, failure, or inability of suppliers or transporters of materials, parts, supplies, services, or equipment; contractor or subcontractor shortage of labor, transportation, materials, machinery, equipment, supplies, utilities, or services; accidents; breakdown of equipment, machinery, or facilities; prolonged litigation, judgments or orders of any court; inability to obtain on reasonably acceptable terms or in reasonably acceptable time any public or private licenses, permits, or other authorizations; curtailment or suspension of activities to remedy or avoid an actual or alleged, present, or future violation of federal, state, or local environmental standard; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot; civil strife; fire; explosion; or any other cause whatsoever beyond the control of such Party, whether similar or dissimilar to the foregoing, except for the inability to meet financial commitments.

20.2 Use of Force Majeure. If a Party is delayed in or prevented from performing any obligation by any such cause, the time of such delay or interruption shall not be counted against the term hereof, and this Agreement shall be extended while and so long as such performance is delayed or prevented. If a Party desires to invoke the provisions of this section 18, it shall give notice of the event or condition causing Force Majeure and

thereafter advise the other Party with respect to its efforts to resolve the situation causing Force Majeure and of termination of such event or condition.

21. Authorization. Each individual executing this Agreement does thereby represent and warrant that he or she has been duly authorized to sign this Agreement in the capacity on behalf of the entities it represents.

22. Execution of Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year last written below.

White Pine County

By: Gant Eddif
Its: Chairman
Date: February 13, 2008

White Pine Energy Associates, LLC

By: Paul Therman
Its: VP
Date: 2/19/08

attest:

Conna M. Battle
WPCO Clerk

EXHIBIT A
To
Water Supply Agreement

[attach copies of the permits]