

## **SUGGESTED MOTION**

**I move to approve an Assignment of Purchase Agreement for Raw Water in Bulk for Export to Alaska Bulk Water Inc.**

Wednesday, February 26, 2014

## MEMORANDUM

To: Mark Gorman – CBS Administrator  
From: Garry White, Director  
Subject: TAB Bulk Water Contract Assignment

### Introduction

True Alaska Bottling (TAB) is requesting to have its “Purchase Agreement for Raw Water in Bulk for Export” assigned to a newly formed entity called Alaska Bulk Water Inc. Attached is the request and information regarding Alaska Bulk Water Inc.

The SCIP Board reviewed TAB’s request at their February 24<sup>th</sup> meeting and recommended approval of the assignment.

### Background

The CBS and TAB entered into a Purchase Agreement for raw water in bulk for export in 2006. The contract terms are for 20 years, with benchmark performance dates. The CBS and TAB have amended the Purchase Agreement 4 times since 2006 to allow for additional time to meet performance benchmarks and to address other issues with the agreement.

### Assignment

The Purchase Agreement allows for assignments under section 14 shown below.

#### **Section 14 - Assignment**

“This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

Sitka may form a Port Authority or similar entity, in the future and this agreement shall be completely transferable to said Port Authority. A transfer of the agreement to any such entity shall not create any restrictions upon TAB to purchase water other than those restrictions named in this agreement.”

### Action

- Approval of Assignment of Purchase Agreement

**JONES LAW GROUP, PLLC**

11819 NE 34<sup>TH</sup> STREET  
BELLEVUE, WASHINGTON 98005

MARIANNE K. JONES

TELEPHONE (425) 576-8899  
MLAW@JONELAWGROUP.COM

February 20, 2014

**TRANSMITTED BY EMAIL AND U.S. MAIL  
RETURN RECEIPT REQUESTED**

Mr. Gary White  
City and Borough of Sitka  
100 Lincoln Street  
Sitka AK 99835

**Re: True Alaska Bottling (TAB) Bulk Water Agreement Request to Allow Assignment**

Dear Mr. White:

True Alaska Bottling Company has chosen to assign the Bulk Water Agreement that it has with the City of Sitka to another company named Alaska Bulk Water Inc. The Board of Directors of both companies is comprised of two persons: Terrence Trapp and Dick Kearns. Also, both Mr. Trapp and Mr. Kearns are the majority shareholders of both companies. The City of Sitka should not expect to see any change in any functional manner following the assignment of this contract. Attached is a copy of the Bulk Water Contract Assignment signed by Mr. Trapp and Mr. Kearns.

Under the Bulk Water Agreement, True Alaska Bottling Company has the ability to assign the contract. We believe that this assignment will give greater financial stability to both True Alaska Bottling Company and to Alaska Bulk Water Inc. We are looking forward to hearing from the City promptly that it approves the requested assignment. We believe that this is merely an administrative function under the contract with the City and can be approved at that level without the need for a hearing.

We request that approval be given promptly so that Alaska Bulk Water Inc. can begin contracting with its customers. Thank you for your prompt attention to this matter.

Very truly yours,  
JONES LAW GROUP, PLLC

/s/ Marianne K. Jones

MARIANNE K. JONES  
Attorney at Law

# STATEMENT OF INCORPORATOR

\*\*\*\*\*

## STATEMENT OF ORGANIZATION

OF THE INCORPORATOR OF

Alaska Bulk Water Inc.

I, Richard H. Bell, being the Authorized Representative of Harvard Business Services, Inc., the incorporator of Alaska Bulk Water Inc. -- a Delaware Corporation -- hereby certifies pursuant to Section 108 of the General Corporation Law of Delaware and to the best of my knowledge that:

1. The certificate of incorporation of Alaska Bulk Water Inc. was filed with the Secretary of State of Delaware on June 13, 2013.

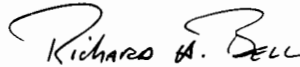
2. On June 13, 2013 the following persons were named as the initial Directors of the Corporation until their successors are elected and qualify:

Charles Richard Kearns

3. The bylaws of the corporation have been approved.

4. The powers of this incorporator are hereby terminated, and said incorporator shall no longer be considered a part of the body corporate of the above named corporation.

In witness whereof, I have signed this instrument as of the date when these actions were so taken this 13th day of June, 2013.



HARVARD BUSINESS SERVICES, INC.  
By: Richard H. Bell, Incorporator

\*\*\* This document is not part of the public record. Keep it in a safe place. \*\*\*

CERTIFICATE OF INCORPORATION  
OF

**Alaska Bulk Water Inc.**

**FIRST:** The name of the corporation is:  
**Alaska Bulk Water Inc.**

**SECOND:** Its registered office in the State of Delaware is located at 16192 Coastal Highway, Lewes, Delaware 19958-9776, County of Sussex. The registered agent in charge thereof is Harvard Business Services, Inc.

**THIRD:** The purpose of the corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of Delaware.

**FOURTH:** The total number of shares of stock which the corporation is authorized to issue is 1,500 shares of common stock having a par value of \$0.010000 per share.

**FIFTH:** The business and affairs of the corporation shall be managed by or under the direction of the board of directors, and the directors need not be elected by ballot unless required by the bylaws of the corporation.

**SIXTH:** This corporation shall be perpetual unless otherwise decided by a majority of the Board of Directors.

**SEVENTH:** In furtherance and not in limitation of the powers conferred by the laws of Delaware, the board of directors is authorized to amend or repeal the bylaws.

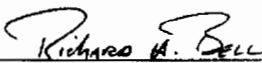
**EIGHTH:** The corporation reserves the right to amend or repeal any provision in this Certificate of Incorporation in the manner prescribed by the laws of Delaware.

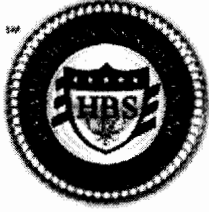
**NINTH:** The incorporator is Richard H. Bell in care of Harvard Business Services, Inc., whose mailing address is 16192 Coastal Highway, Lewes, DE 19958.

**TENTH:** To the fullest extent permitted by the Delaware General Corporation Law a director of this corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

I, Richard H. Bell, for the purpose of forming a corporation under the laws of the State of Delaware do make and file this certificate, and do certify that the facts herein stated are true; and have accordingly signed below, this June 13, 2013

Signed and Attested to by:

  
\_\_\_\_\_  
Harvard Business Services, Inc.  
By Richard H. Bell, Incorporator



## Harvard Business Services, Inc.

Address: 16192 Coastal Hwy Lewes, DE 19958 USA

Website: [www.delawareinc.com](http://www.delawareinc.com) Email: [filings@delawareinc.com](mailto:filings@delawareinc.com)

Toll Free: (800) 345-2677 Direct: (302) 645-7400 Fax: (302) 645-1280

July 19, 2013

**Mr. Dick Kearns**  
765 Harmony St.  
Lebanon OR, 97355  
United States

Dear Mr. Kearns

We would like to convey our congratulations to you and Alaska Bulk Water Inc.. We hope you enjoy terrific success with your company.

Below is the Employer Identification Number the IRS has generated for your new company:

**46-3220839**

You will receive a confirmation letter in the U.S. Mail within four weeks directly from the Internal Revenue Service. Please note that if you ever change the name of your company the IRS will need to be notified of this change.

We would like to thank you once again, and wish you the best of luck. You can help us by telling a friend or business associate about our services. We work hard to keep things simple for you and your associates when it's time to incorporate.

Thank you,

Harvard Business Services, Inc.  
Business Filings Team