

**AMENDMENT NO. 3 TO
TRUE ALASKA BOTTLING COMPANY PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

WHEREAS, the City and Borough of Sitka ("Sitka") and True Alaska Bottling Company ("TAB") entered into the "True Alaska Bottling Company Purchase Agreement for Raw Water in Bulk for Export" ("Agreement"), on December 7, 2006;

WHEREAS, Sitka and TAB agreed to amend the Agreement as set out in the Amendment No. 1 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 1");

WHEREAS, Sitka and TAB agreed to further amend the Agreement as set out in the Amendment No. 2 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 2");

WHEREAS, Sitka and TAB agree to further amend the Agreement as set out in this Amendment No. 3 To True Alaska Bottling Company Purchase Agreement For Raw Water In Bulk For Export ("Amendment No. 3");

WHEREAS, this Amendment No. 3 extends TAB deadlines by two additional years at Sections 3.1 and 3.2, contingent upon TAB agreeing to the following conditions, which were required and approved by the CBS Assembly at its Regular Meeting on January 25, 2011:

1. Sitka receives a non-refundable payment of \$150,000 in two installments of \$75,000 from TAB to be applied towards export water payments owed to Sitka during the two-year term of this Amendment No. 3;
2. Amendment No. 3 will take effect only upon receipt of the first \$75,000 installment, received no later than February 26, 2011;
3. To keep the Agreement in effect, the second installment of \$75,000 is owed no later than February 26, 2012.
4. If no water export occurs within the two-year term of this Amendment No. 3, in accordance with the Agreement at Article 3.1 and 3.2, both payments shall be retained by Sitka unencumbered; and

NOW, THEREFORE, Sitka and TAB, based on TAB agreeing and fulfilling all conditions required by the City and Borough of Sitka Assembly set out above, agree to Amendment No. 3, which includes amending the Agreement as follows and as authorized pursuant to Section 20 of the Agreement (new language underline; deleted language stricken):

3. Water Volumes Contracted by TAB from Sitka.

3.1 Sitka will make available to TAB a total of 8,972 acre-feet of raw water for a period of ~~72~~ 48 months after the effective date of this Agreement. At the conclusion of the ~~72~~48 -month period described in the previous sentence, TAB's access to water will revert to the stages outlined in Subsection 3.2 of this Agreement, providing TAB has met the minimum export volumes set out in Section 3 (this Section) of this Agreement. During the ~~72~~48 -month period immediately

after the effective date of this Agreement, TAB must take delivery of and export at least 50 million gallons of water. If TAB does not take delivery of and export at least 50 million gallons of water from Sitka pursuant to this Agreement in the first ~~72~~⁴⁸ months after the effective date of this Agreement, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has breached or failed to comply with one of more of the conditions or requirements of this Agreement, unless within said 45-day period, TAB cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

3.2 ~~72~~⁴⁸ months after the effective date of this Agreement, the Stages described in this subsection start. The quantities of raw water in bulk which is available for export by TAB from Sitka under this Agreement are set forth below, and shall increase in maximum export volumes available and minimum export requirements as follows:

Contract Increment Stages	Maximum Water Delivery per 24-Hour Period	Acre-Foot Available Annually	Minimum Export Required to Move to Next Stage	Minimum Export Required to Remain at Stage	Required Period of Performance
Stage 1	33.6 MG	1,000 af	230.2 af (75mg)	153.4 af (50 mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 af (75 mg)	12-month period
Stage 3	33.6 MG	4,000 af	920.7 af (300mg)	306.9 af (100mg)	12-month period
Stage 4	33.6 MG	10,000 af	3,068.9 af (1bg)	920.7 af (300mg)	12-month period
Stage 5	33.6 MG	() ¹	N/A	3,068.9 af (1bg)	12-month period

Stage 1: Stage 1 begins ~~72~~⁴⁸ months after the effective date of this Agreement. Sitka will make available to TAB not less than 1,000 acre-feet (325.8 MG) of raw water in a 12-month period in Stage 1. To remain at Stage 1 for a 12 month-period starting on the Stage Anniversary Date of Stage 1, TAB must have taken delivery of and exported from Sitka a minimum of 153.4 af (50 MG) of bulk water within the 12-month period immediately previous to the most recent Stage Anniversary Date of Stage 1. If TAB does not meet the requirement set out in the previous sentence to remain at Stage 1, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka gives notice to TAB by certified mail that TAB has failed to meet such requirement, unless within the 45-day period, TAB cures such failure as determined by Sitka in its sole discretion.

* * *

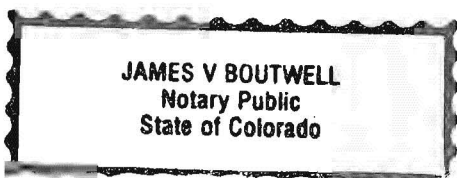
¹ Annual acre-feet available and the minimum amount of water available for export per 12-month period will be determined solely by Sitka at that time based on availability.

TRUE ALASKA BOTTLING COMPANY

Terrence J. Trapp
CEO (title)

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

THIS CERTIFIES that on this 9TH day of FEB., 2011, TERRENCE TRAPP, known to me or who has produced sufficient identification to be the person whose name is subscribed to this document, signed this document, and by signing affirms that he is the President of TRUE ALASKA BOTTLING COMPANY, that he has been authorized to execute the foregoing document on its behalf, and executes the document freely and voluntarily.



James V. Boutwell
Notary Public by and for JAMES V. BOUTWELL
My Commission Expires: 9/28/2014

THE CITY AND BOROUGH OF SITKA

James E. Dinley
JAMES E. DINLEY, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 15 day of February, 2011, James Dinley signed this document, and by signing affirms that he is the MUNICIPAL ADMINISTRATOR of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing document, and executes the document freely and voluntarily.

Sara L. Peterson
Notary Public for Alaska
My Commission Expires: 4-15-2011

ATTEST:

Serena Wild
Sara Peterson
Acting Municipal Clerk
Assistant

