

**PURCHASE AGREEMENT
FOR RAW WATER IN BULK FOR EXPORT**

BETWEEN: City and Borough of Sitka, Alaska (“Sitka”)
100 Lincoln Street
Sitka, Alaska 99835

AND:

Anna-marie Gericke
Green Gold Distributors (“GREEN GOLD”)
P.O Box 402
Grabouw, Western Cape
South Africa 7160

1. Term and Documents Comprising this Agreement.

1.1 The “initial term” of this Agreement shall commence upon GREEN GOLD making a non-refundable payment of Five Thousand Dollars (\$5,000.00), payable upon signing this Agreement, to the Administrator of Sitka (“Administrator”), and shall end at 11:59 p.m. Alaska Standard Time on March 30, 2019. Sitka hereby grants to GREEN GOLD, the right to purchase raw water in bulk for export, to be delivered to it by Sitka from the Blue Lake reservoir, a water source within Sitka, on the terms and conditions set forth herein.

1.2 At the conclusion of the initial term of this Agreement, one (1) additional term of five (5) years may be exercised upon the written consent of both parties. GREEN GOLD must notify the Administrator in writing no earlier than one (1) year and no later than four (4) months before the end of the initial term of its desire to add an additional five-year term. If GREEN GOLD does not so timely notify the Administrator, this Agreement shall terminate at the expiration of the initial term. If GREEN GOLD does so timely notify the Administrator, Sitka has thirty (30) days to notify GREEN GOLD in writing of its consent to the additional term. As initiated in writing by Sitka after notice is given by GREEN GOLD of its desire to add an additional five-year term, Sitka's raw water price is subject to re-negotiation before the commencement of the additional five- year term. If a price is not agreed upon in writing, this Agreement shall terminate at the expiration of the initial term.

1.3 The Agreement consists of the 23 sections plus Appendix A (a map) and Appendix B (the “Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property” dated April 28, 1999, including all attachments, which specifically includes “Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property).”).

*Purchase Agreement for Raw Water in Bulk
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2. Definitions.

In this Agreement, the following terms shall have the definitions stated:

- a) "Acre-foot" or "af" means 325,851 U.S. gallons.
- b) "Annually" means 12 consecutive months.
- c) "Beneficial use" means the application of water, purchased by GREEN GOLD for export or for use at the point of delivery, to a useful purpose, including domestic, commercial, agricultural, wildlife, and recreational uses.
- d) "BG" or "bg" means billions of gallons.
- e) "Bulk water" means untreated non-potable water sold by Sitka to GREEN GOLD under this Agreement, and delivered by Sitka to GREEN GOLD in the measured quantities specified in this Agreement.
- f) "Deliver" or "to deliver" or "delivered" means Sitka making a specific quantity of water available to GREEN GOLD at the point of delivery.
- g) "Export" means the transportation by GREEN GOLD of bulk water to a destination outside the hydrological unit of the Blue Lake drainage.
- h) "Gallon" means one US gallon or 3.785 liters.
- i) "Loading" means transporting the raw water which is the subject of this Agreement from Blue Lake through pipelines and other conveyances into the GREEN GOLD-chartered ship for export outside Alaskan waters.
- j) "MG" or "mg" means millions of gallons.
- k) "MGD" means millions of gallons per consecutive 24-hour period.
- l) "Per day" means calendar day starting at midnight.
- m) "Per week" means during a period of seven (7) consecutive days.
- n) "Per year" means during a period of 12 consecutive months.
- o) "Point of delivery" means that physical location at which the Sitka-owned physical facilities and equipment, employed in the transportation of Sitka's bulk water for delivery to GREEN GOLD, terminates.

- p) "Raw water" means untreated non-potable water delivered by Sitka to the point of delivery from Blue Lake via the Blue Lake penstock, a conduit which transports water from Blue Lake to the Blue Lake Powerhouse as shown on Exhibit A.
- q) "Rule curve" means the relationship between the elevation of the water surface of Blue Lake and the volume of water contained in Blue Lake, which regulates the reservation of water for fish, wildlife, and habitat protection.
- r) "Stage" means a time period in this Agreement that starts 12 months after the effective date of this Agreement; a Stage is composed of one or more 12-month periods, with each 12-month period starting on the anniversary of the day the Stage begins.
- s) "Stage Anniversary Date" means the day starting a 12-month period in a Stage.
- t) "Ton" means one US short ton or 2,000 pounds.
- u) "Unforeseen" means an exceptional event, not contemplated by the parties in negotiating this Agreement. Performance made more difficult or expensive than expected is not "unforeseen." The burden of proving that an event is unforeseen is on the party that advances it as a reason for non-performance.
- v) "Water rights" means those rights to the beneficial use of water which are held by Sitka under certificates of appropriation issued by the State of Alaska pursuant to Alaska law.

3. Water Volumes Contracted by GREEN GOLD from Sitka.

3.1 Sitka will make available to GREEN GOLD a total of 3,069 acre-feet of raw water for the initial term of this Agreement. During the first 6-month after the effective date of this agreement (the "6-month period"), GREEN GOLD must take delivery of and export at least 50 million gallons of raw water. If GREEN GOLD does not take delivery of and export at least 50 million gallons of raw water from Sitka during the 6-month period, this Agreement shall, at Sitka's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka's sending of the Administrator's notice to GREEN GOLD, in accordance with section 23 below, that GREEN GOLD has failed to comply with this subsection, unless within said 45-day period GREEN GOLD cures its failure to take delivery of and export at least 50 million gallons of raw water from Sitka. At the conclusion of the initial term of this Agreement and upon commencement of the additional term as provided in subsection 1.2 above, GREEN GOLD's access to raw water under this Agreement will be governed by the stages set out in subsection 3.2 below, provided that GREEN GOLD has met the minimum export volumes set out in this section.

3.2 The Stages described in this subsection start upon commencement of the additional term as provided in subsection 1.2 above. The maximum quantity of raw water in bulk available for export by GREEN GOLD from Sitka under this Agreement and the minimum export requirements are set forth below 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 (50mg)	12-month period
Stage 2	33.6 MG	2,000 af	306.9 af (100mg)	230.2 af (75mg)	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)	920.7af (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 upon commencement of the additional term as provided in subsection 1.2 above. Sitka will make available to GREEN GOLD 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, GREEN GOLD must have taken delivery of and exported from Sitka a minimum of 153.4 af (50 MG) of raw water within the 12-month period immediately preceding the most recent Stage Anniversary Date of Stage 1. If GREEN GOLD does not take delivery and export the said minimum, this Agreement shall, at Sitka’s election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after Sitka’s sending of the Administrator’s notice to GREEN GOLD, in accordance with section 23 below, that GREEN GOLD has failed to meet such requirement, unless within said 45-day period GREEN GOLD cures such failure, as determined by Sitka in its sole discretion.

Stage 2: GREEN GOLD shall take delivery and pay for a minimum of 230.2 acre feet of raw water within a 12-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of at least 230.2 acre-feet (75 MG) of bulk water in a 12-month period, then the amount of raw water Sitka will make available for delivery to GREEN GOLD will be increased to 2,000 acre-feet of water in a 12-month period, provided at that time that the Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 2 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 230.2 af (75 MG) within the 12-month period immediately preceding the most recent Stage 2 Anniversary Date. If GREEN GOLD does not

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.

meet the requirement to remain at Stage 2 set out in the previous sentence, GREEN GOLD shall revert to Stage 1 thereby establishing a new Stage 1 Anniversary Date.

Stage 3: GREEN GOLD shall take delivery and pay for a minimum of 306.9 acre feet of raw water in a 6-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of at least 306.9 acre-feet (100 MG) of raw water per 12-month period, then the amount of water Sitka will make available for delivery to GREEN GOLD will be increased to 4,000 acre-feet per year, provided at that time that the Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 3 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 306.9 af (100 MG) within the 12-month period preceding the most recent Stage 3 Anniversary Date. If GREEN GOLD does not meet the requirement set out in the previous sentence to remain at Stage 3, GREEN GOLD shall revert to Stage 2 thereby establishing a new Stage 2 Anniversary Date.

Stage 4: GREEN GOLD shall take delivery and pay for a minimum of 920.7 acre feet of raw water in a 12-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of at least 920.7 acre-feet (300 MG) per 12-month period, then the amount of raw water Sitka will make available for delivery to GREEN GOLD will be increased to 10,000 acre-feet per 12-month period, provided at that time that Sitka's Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 4 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 920.7 af (300 MG) within the 12-month period immediately preceding the most recent Stage 4 Anniversary Date. If GREEN GOLD does not meet the requirement set out in the previous sentence to remain at Stage 4, GREEN GOLD shall revert to Stage 3 thereby establishing a new Stage 3 Anniversary Date.

Stage 5: GREEN GOLD shall take delivery and pay for a minimum of 3,068.9 acre feet of raw water in a 12-month period during this Stage. If GREEN GOLD takes delivery of and exports a total of 3,068.9 acre feet (1 billion gallons) of raw water per 12-month period, then GREEN GOLD may request from Sitka additional raw water in a volume to be determined by the Administrator in his/her sole discretion at that time, provided that the Administrator has determined in his/her sole discretion that Sitka still has adequate water quantities available and uncommitted. To remain at Stage 5 for the next 12 months GREEN GOLD must have taken delivery of and exported from Sitka at least 3,068.9 af (1 BG) within the 12-month period immediately preceding the most recent Stage 5 Anniversary Date. If GREEN GOLD does not meet the requirement set out in the previous sentence to remain at Stage 5, GREEN GOLD shall revert to Stage 4 thereby establishing a new Stage 4 Anniversary Date.

3.2 If GREEN GOLD fails to take delivery of and export the required minimum volume specified in Stages 2 through 5 within the time periods specified for those Stages as set out in Subsection 3.2, the respective obligations of Sitka to make raw water available, and of GREEN GOLD to take delivery of and accept and export such volume shall be reduced to the next lower Stage for the next 12-month period. If GREEN GOLD meets the minimum performance requirement of that lower Stage within the time period specified, then the next higher Stage shall again be in effect during the next 12-month period. The date upon which Sitka moves GREEN GOLD either up or down from stage to stage will start the 12-month time period anew and create

a new Stage Anniversary Date, provided at that time that Sitka still has adequate raw water quantities available and uncommitted for export.

3.4 Notwithstanding any other provision of this Agreement, if raw water delivered by Sitka to GREEN GOLD and exported by GREEN GOLD falls below 50 million gallons during any period of 12 consecutive months after the first 36 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's sending of the Administrator's notice to GREEN GOLD, in accordance with section 23 below, that GREEN GOLD has failed to comply with this subpart, unless within said 45-day period GREEN GOLD cures its failure to take delivery of and export at least 50 million gallons of water from Sitka.

3.5 At no time may GREEN GOLD take delivery of raw water at a rate greater than 33.6 MGD.

4. The Parties' Rights and Obligations Regarding Water Delivered for Export.

4.1. Sitka is entering into this Agreement to sell raw water in bulk pursuant to water to Sitka's water export authority contained in Water Appropriation Certificates LAS 19669 and ADL 43826. Sitka's obligation to deliver water to GREEN GOLD in the quantities specified in this Agreement is subject to these conditions and limitations:

a) Notwithstanding any other provision of this Agreement, Sitka shall retain first right and priority to water required for its municipal drinking water supply system and its municipal hydroelectric system, and it may suspend or limit raw water deliveries in bulk to GREEN GOLD to meet the requirements of its municipal drinking water and hydroelectric systems. Whether there is a sufficient volume of raw water available for these purposes shall be decided in the sole discretion of the Administrator.

b) Sitka will abide by the 1992 Blue Lake Watershed Control Plan as approved by the U.S. Environmental Protection Agency and described in City and Borough of Sitka Ordinance No. 92-1091.

c) The Administrator may temporarily suspend raw water deliveries in bulk in order to perform routine maintenance on its municipal drinking water, hydroelectric and/or water delivery systems, provided that the Administrator shall give not less than 60 days prior notice to GREEN GOLD of any such planned suspension.

d) Sitka shall be relieved of its obligation to deliver raw water in bulk to GREEN GOLD in the event of an interruption in water supply due to circumstances that require repair to or reconstruction of the municipal drinking water, hydroelectric systems, water delivery system, or other of Sitka's facilities. Delivery of raw water in bulk to GREEN GOLD may be reduced to the extent necessary to make such repair(s) or reconstruction, and for so long as the Administrator in his/her sole discretion determined is required to make such repairs or reconstruction.

e) The volumes of Sitka's raw water deliveries in bulk to GREEN GOLD for export are subject to Sitka's overriding obligation to comply with all of the conditions contained in Water Appropriation Certificates ADL 43826, LAS 19669, and LAS 20526, including compliance with the rule curve and the support of spawning, incubation, and rearing of certain species of fish in Sawmill Creek and Blue Lake. Interpretation of applicable requirements and the means used to achieve compliance with such requirements shall be in the Administrator's sole discretion.

f) In the event Sitka is relieved of its obligation to make agreed quantities of water available to GREEN GOLD for reasons noted in this paragraph or due to Force Majeure or due to unforeseen circumstances, then GREEN GOLD's obligation to take delivery of and to export water shall be reduced to the volumes actually delivered by Sitka during that period of time and the time within which GREEN GOLD is authorized to receive raw water shall be extended for a period equal to the period of time that Sitka has been so relieved of its obligation.

4.2 GREEN GOLD agrees and warrants that the raw bulk water delivered to it by Sitka for export shall be put to one or more beneficial uses by it or by its water purchasers. Breach of this warranty shall be a material breach of this Agreement.

4.3 For that portion of the raw bulk water which is made available for human consumption GREEN GOLD shall, at GREEN GOLD's sole cost, promptly comply with all Government Regulations relating to the condition, use or quality of such water for human consumption. GREEN GOLD shall establish staff and maintain an on-site Water Quality laboratory to perform GREEN GOLD's obligations under Paragraph 13.3.

5. [This section deliberately left blank.]

6. No Warranty by Sitka of Water Quality or Fitness for a Particular Purpose.

6.1 THE WATER CONTRACTED FOR DELIVERY, AND/OR ACTUALLY DELIVERED, TO GREEN GOLD UNDER THIS AGREEMENT IS NON-POTABLE. SITKA DOES NOT WARRANT THE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY WATER CONTRACTED FOR DELIVERY, AND/OR ACTUALLY DELIVERED, TO GREEN GOLD UNDER THIS AGREEMENT. GREEN GOLD ACKNOWLEDGES AND AGREES THAT BEFORE ENTERING INTO THIS AGREEMENT, IT HAS EXAMINED SITKA'S WATER SOURCE, SITKA'S METHODS OF DIVERSION, AND SITKA'S MEANS OF DELIVERY TO GREEN GOLD OF THE QUANTITIES OF WATER WHICH ARE CONTRACTED FOR UNDER THIS AGREEMENT, AND THAT IT HAS FOUND ALL SUCH ITEMS ADEQUATE AND SATISFACTORY FOR ECKERT'S PURPOSES.

6.2 GREEN GOLD acknowledges and agrees that Sitka's routine alterations in its hydroelectric operations may produce temporary changes in water quality due to turbidity, and that the occurrence of such events shall not alter or affect GREEN GOLD's obligations under this Agreement.

6.3 GREEN GOLD acknowledges and agrees that the quality of raw water contracted by Sitka to be delivered in bulk to GREEN GOLD for export may vary due to natural events over which Sitka has no control, which include, without limitation, rainfall, drought, snowfall, avalanches and landslides, and that the occurrence of such events shall not alter or affect GREEN GOLD's contractual obligations under this Agreement, except that the quantity of water GREEN GOLD is obligated to take delivery of and to export shall be reduced to the quantity Sitka can and does make available for delivery to GREEN GOLD, as a consequence of an occurrence of any of such natural events.

6.4 GREEN GOLD SHALL BE SOLELY RESPONSIBLE AND LIABLE FOR THE QUALITY AND USEFULNESS FOR ANY PARTICULAR PURPOSE, INCLUDING HUMAN CONSUMPTION, OF ALL WATER EXPORTED BY, TRANSPORTED BY, USED BY, OR SOLD BY, OR DELIVERED BY GREEN GOLD.

7. Purchase Price for Raw Water.

7.1 GREEN GOLD shall pay the following prices for raw bulk water for export from Sitka:

a. Raw water delivered in bulk to GREEN GOLD for export shall be priced at U.S. \$0.01 (one cent) per gallon.

b. Raw water delivered by Sitka to GREEN GOLD for vessel wash-down, washout and any other non-export application shall be priced at no charge for the first 50,000 gallons per each loading event and US \$0.005 (one-half of a cent) per gallon above 50,000 gallons per each loading event. Such quantities shall be separately metered, and shall not be included in the total quantities of raw water delivered to GREEN GOLD for export.

7.2 GREEN GOLD shall pay for each volume of water loaded no later than twenty-five (25) days after the presentation of an invoice by the Administrator to GREEN GOLD for such water. Failure by GREEN GOLD to make timely payment shall be a material breach of this Agreement and be cause for the Administrator to suspend water delivery to GREEN GOLD until payment is made or other action is taken under this Agreement.

7.3 Beginning July 1, 2021 and every calendar year thereafter, the prices charged by Sitka for raw water delivered to GREEN GOLD under this Agreement shall be adjusted by the Administrator based on the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers" ("CPI) published the most immediately before January 1 of the calendar year for which prices are being calculated. Notwithstanding the previous sentence, in no event will the CPI adjustment described in the previous sentence exceed + 3.0% nor the adjustment be made if the result of such adjustment would be a decrease in any price charged under this Agreement.

7.4 GREEN GOLD shall pay Sitka for the volume of water delivered to GREEN GOLD as measured by flow meters owned, operated, and documented by Sitka at or near the point of delivery. One year after the first delivery of water, the Administrator shall arrange for an

independent third party to calibrate the flow meters after which they will be calibrated every other year during the term of this Agreement.

7.5 The non-refundable payment of \$5,000 made by GREEN GOLD to commence this Agreement will be credited toward export of water payments over the term of this Agreement.

8. Conditions for Maintaining GREEN GOLD's Purchase Right and Obligation; Termination.

8.1 Notwithstanding any other provision of this Agreement, this Agreement shall, at Sitka's Administrator's election, terminate and expire without further action by Sitka on the forty-fifth (45th) day after the Administrator mails notice to GREEN GOLD by certified mail that GREEN GOLD has breached or failed to comply with one or more of the conditions or requirements of this Agreement, or become insolvent, or abandoned the project unless within said 45-day period, GREEN GOLD cures the specified default or defaults to Sitka's satisfaction, as determined by Sitka in its sole discretion.

8.2 Upon termination, all legal rights and obligations as between Sitka and GREEN GOLD under this Agreement shall cease, except that GREEN GOLD's obligations to Sitka under Sections 13, 14, 15, 16, and 17 of this Agreement shall survive termination.

9. Sitka's Permitting Actions.

The Administrator shall take any and all actions which she/he determines, in the exercise of her/his sole discretion, to be reasonable, necessary, and economically feasible to maintain in good standing any permit, license, certificate, allocation, appropriation or other authorization required for Sitka to fulfill its obligations under this Agreement.

10. Delivery, Loading, and Transportation of Water in Bulk.

10.1 The parties agree that GREEN GOLD shall be solely responsible for the costs of acquisition, construction and installation, maintenance and repair of any structure, facility or vessel downstream of the point of delivery which it determines to be required or convenient for the loading and transportation of bulk water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation. All structures and facilities must comply with all Federal, State, and local law, including zoning requirements.

10.2 Sitka shall retain the right to own, and operate a raw bulk water delivery pipeline that serves the Gary Paxton Industrial Park. In such event, Sitka may require GREEN GOLD to use Sitka's facilities and may change the point of delivery to the point at which Sitka's facilities end. Unless and until Sitka provides such new facilities, GREEN GOLD shall be fully responsible, at its own cost and expense, for arranging and accomplishing transport of raw bulk water from the point of delivery established by Sitka.

10.3 GREEN GOLD shall pay such port vessel dockage fees established by Sitka. SITKA DOES NOT WARRANT THE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE

*Purchase Agreement for Raw Water in Bulk
Between the City and Borough of Sitka and Green Gold Distributors Ltd.*

OF ANY DOCK OR WHARF AT SUCH WATERFRONT, AND GREEN GOLD MUST ASSURE THE ADMINISTRATOR OF THE FEASIBILITY OF A PARTICULAR USE BEFORE ENGAGING IN SUCH USE.

10.4 GREEN GOLD shall be solely responsible for arranging the transportation of all water delivered to it by Sitka for export.

10.5 No later than 30 days before the first delivery of water takes place under this Agreement, GREEN GOLD will designate in a writing to the Administrator a local representative as GREEN GOLD's continuing personal contact with the Administrator and its subordinate departments, agencies and authorities.

10.6 Sitka's flow meter which is used to calculate the quantities of water delivered to GREEN GOLD shall be located near the point of delivery.

11. Ballast Water and Wash Water Discharges.

11.1 GREEN GOLD shall comply with all applicable international, federal, state, and local requirements regarding the discharge of any ballast water (including bilge water) or any wastes at all times and as to all vessels traveling to and from Silver Bay and/or Sawmill Cove for the purpose of receiving any raw bulk water from Sitka under this Agreement. Such requirements described in this Section include, but are not limited to, those in Section IV of the Sawmill Cove Management Plan, which is included in Appendix B.

11.2 GREEN GOLD shall comply with all applicable federal, state and local requirements regarding the use and disposal of any raw or treated water delivered to GREEN GOLD by Sitka for the purposes of vessel wash-down or washout, or any other non-export application.

12. Water Loading Plan Requirements.

12.1 Before GREEN GOLD loads any bulk water delivered to it by Sitka, GREEN GOLD shall submit to the Administrator a written Water Loading Plan. This Plan shall be deemed approved by the Administrator unless no later than fourteen days after its submission the Administrator in his or her sole discretion rejects—or requires GREEN GOLD to resubmit—any portion of the Plan. Such action by the Administrator shall be in a writing to GREEN GOLD that states the deficiency. Sitka shall deliver no bulk water to GREEN GOLD and GREEN GOLD shall not load any bulk water delivered to it by Sitka as long as any portion of the Plan has been rejected and not approved after re-submittal. GREEN GOLD shall submit a separate Water Loading Plan at least ten (10) days before each loading of bulk water under this Agreement.

12.2 The Water Loading Plans required by this section shall address administrative, environmental, and logistical matters related to the loading of water. The issues and items to be addressed in each Water Loading Plan shall include, without limitation, each of the following:

- a) identify and provide information requested by the Administrator regarding any vessel to be used by GREEN GOLD in the loading or transport of raw bulk water;

- b) steps to be taken to insure the safety of persons in any way involved in the loading of bulk water;
- c) certification that GREEN GOLD has a Contingency Plan that meets all of the requirements of State law applicable to the vessel that is being loaded;
- d) steps to be taken to insure the safety of the public before, during, and after loading of raw bulk water;
- e) steps to be taken to address the effects of wind and tidal conditions on the loading;
- f) steps to be taken concerning moorage and access to vessels during loading;
- g) steps to assure communication before, during, and after loading between those loading and the Administrator or his/her designee;
- h) details about the precise location and proposed use of any structure, facility, pipe, pipeline, or other infrastructure to be used in the loading of raw bulk water and details describing how GREEN GOLD intends to address the risks associated with a catastrophic event arising from GREEN GOLD's loading activities or GREEN GOLD's failure to adhere to the proposed Water Loading Plan;
- i) steps to be taken to avoid conflicts with other vessel traffic and industrial park users;
- j) details on proposed handling of any ballast water in any vessel to be used in the loading of raw bulk water, including plans to respond to the unauthorized discharge of such water;
- k) details on proposed handling of any residual and/or wash water, or other materials in the tanks of any vessel to be used in the loading;
- l) the days and the periods of time within each day that raw bulk water is proposed to be loaded; and,
- m) details describing how the proposed Water Loading Plan shall be made consistent with Appendix B, which includes the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999, including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka [:] Management Plan for Sawmill Cove Property (Former APC Property)." The details describing such consistency must include any and all specific steps to be taken to avoid anchoring in prohibited areas and in any way disturbing the sea bottom in the "No Disturbance" zone described in the last-referenced documents.

12.3 GREEN GOLD shall comply with all provisions of each Water Loading Plan after all of such provisions have been approved either upon submittal or re-submittal under Subsection 12.1 above, as to the water loading operation for which the Water Loading Plan was submitted.

*Purchase Agreement for Raw Water in Bulk
Between the City and Borough of Sitka and Green Gold Distributors Ltd.*

12.4 APPROVAL BY SITKA'S ADMINISTRATOR OF ANY WATER LOADING PLAN SHALL NOT IMPOSE UPON SITKA THE STATUS OF GUARANTOR OF THE FEASIBILITY, PROPRIETY, OR SAFETY OF ANY ASPECT OF AN APPROVED WATER LOADING PLAN, NOR SHALL SUCH APPROVAL CREATE OR CONFER BENEFITS ON ANY THIRD PARTY.

13. Indemnification of Sitka.

13.1 Notwithstanding anything to the contrary in this Agreement, GREEN GOLD shall defend, indemnify, and hold Sitka harmless from any liability, claim, demand, action, obligation, or proceeding of any kind or nature, based upon, arising out of, or related to:

- a) any defect or flaw in the quality of raw bulk water supplied under this Agreement;
- b) any delays on the part of Sitka in the delivery of raw bulk water under this Agreement as the result of the mechanical or physical breakdown of equipment or facilities owned or operated by the Sitka or other unforeseen event;
- c) claims arising from the transportation or shipment of raw bulk water after such water has left Sitka's water delivery system and the point of delivery;
- d) injuries to employees of GREEN GOLD or any of its contractors or their employees;
- e) damages resulting from accidents involving mooring, unmooring, navigation of vessels, or cargo loading operations, including but not limited to claims for personal injury, property damage, and pollution;
- f) violations and claims of violations related to the water loading plan described in section 12.2; and,
- g) harm, including illness and death, to persons who consume the raw bulk water caused by the failure of GREEN GOLD to comply with section 6.3 of this Agreement.

13.2 GREEN GOLD shall at all times during this Agreement maintain insurance policies providing umbrella coverage against matters including but not limited to those covered by this Agreement in an amount not less than U.S. \$5,000,000, with Sitka named as an additional insured, and with a waiver of subrogation against Sitka. GREEN GOLD shall provide a copy of the certificate insurance GREEN GOLD to Sitka within sixty (60) days after the effective date of this Agreement.

13.3 GREEN GOLD shall be responsible for ensuring that each of its contractors is qualified to do business in Alaska and refrains from activities for which insurance cannot be obtained.

GREEN GOLD shall assure that any contractor for GREEN GOLD which is to perform any task or work within the territorial jurisdiction of Sitka has insurance appropriate to any task to be performed by that contractor, and GREEN GOLD shall deliver a certificate of such insurance to the Administrator within 30 days of such hiring.

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.

Should Sitka form a Port Authority, or similar entity, 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 GREEN GOLD to purchase water other than those restrictions set out in this Agreement.

15. Waiver and Integration.

This Agreement integrates the entire Agreement between the parties regarding the sale and purchase of raw water. This Agreement supersedes all previous agreements, discussions, and negotiations, whether written or oral. Each party specifically acknowledges and represents that it has had ample opportunity to consult with legal counsel regarding this Agreement, and that any rule that an agreement should be construed against its drafter shall not apply to this Agreement.

16. Force Majeure.

Neither party shall be in breach of this Agreement as the result of any failure or delay in performing any of the obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by storm, flood, avalanche, landslide, earthquake, tsunami, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, or act of God. Sitka shall not be in breach of this Agreement as the result of any failure or delay in performing any of its obligations in this Agreement if such failure to perform or delay in performing is directly and proximately caused by any order of any United States court of competent jurisdiction, or by any act, rule, regulation, order or directive of any superior governmental unit or any agency thereof, or by any termination, modification, suspension, or revocation of any permit, license, allocation, appropriation, or certificate held by Sitka. In the event Sitka or GREEN GOLD is relieved of an obligation under this Agreement due to Force Majeure, time periods under this Agreement shall be adjusted accordingly. The party asserting a Force Majeure event must demonstrate by clear and convincing evidence that the failure or delay in performance is directly and proximately caused by a Force Majeure event.

17. Applicable Law.

GREEN GOLD shall comply with all provisions of law applicable to its obligations under this Agreement. This Agreement shall be construed in accordance with the laws and procedures of the State of Alaska.

18. Dispute Resolution.

18.1 Good Faith Efforts of the Parties. Upon notice by either party to the other party of any dispute or claim arising out of or related to this Agreement the parties shall first make a good-faith endeavor to resolve the dispute or claim by meeting informally “face-to-face” within 15 days of such notice to mediate the dispute or claim in good faith without a third-party mediator.

18.2 Jurisdiction and Venue. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any section of this Agreement or for any other remedy, such an action shall be brought in the Superior Court for the State of Alaska. Venue for any such action or lawsuit shall lie exclusively in Sitka, Alaska. The parties specifically agree not to remove jurisdiction to federal courts on the grounds of diversity of citizenship.

18.3 Attorney’s Fees and Legal Expenses. Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of any alleged breach of any section of this Agreement or for any other remedy, the party that is successful in such action shall be entitled to receive from the losing party all of its reasonable legal costs and expenses, including without limitation, reasonable attorneys’ fees and all arbitration costs.

19. Effective Date.

This Agreement shall become effective upon GREEN GOLD making a non-refundable deposit of \$5,000 to Sitka, no later than March 30, 2018. The date on which GREEN GOLD makes such a payment will be the “effective date” for the purpose of any time period which incorporates that term in this Agreement. Should GREEN GOLD fail to make such a payment by March 30, 2018 this Agreement is null and void.

20. Authority.

The parties represent and warrant to each other that they have the full, complete, and absolute authority to enter into this Agreement; that this Agreement has been duly authorized by the governing body of each party; that the person executing this Agreement on its behalf has the full power and authority to do so; and that this Agreement is binding and enforceable against it in accordance with its terms. GREEN GOLD acknowledges that this Agreement is only effective against Sitka if the City and Borough of Sitka Assembly votes to authorize the Administrator to execute this Agreement on behalf of Sitka. By affixing his signature to this Agreement, the Administrator represents and warrants that the Assembly has so voted.

21. Amendment and Severability.

This Agreement may not be amended except by written agreement of both parties. If any provision of this Agreement or any application thereof to any person, entity, or circumstance is held invalid, the

remainder of this Agreement and application thereof to any person, entity, or circumstances shall not be affected thereby.

22. Time of Essence.

Time is of the essence in this Agreement.

23. Notices.

Any notices required or authorized to be given by this Agreement shall be in writing and shall be sent by **email and** by either **commercial courier, facsimile, or by certified U.S. mail**, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this section. Such notice shall be effective three (3) days after sending through the mails or after receipt by courier or facsimile by the addressee party, except that any facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

If to GREEN GOLD: Anna-marie Gericke
Green Gold Distributors
P.O Box 402
Grabouw, Western Cape
South Africa 7160

If to Sitka: Administrator
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, Alaska 99835

IN WITNESS THEREOF, the parties have executed this Agreement as of the dates shown below.

CITY AND BOROUGH OF SITKA, ALASKA

Date

By: P. Keith Brady
Its: Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by P. Keith Brady, Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.

Notary Public in and for the State of Alaska
My commission expires: _____

GREEN GOLD DISTRIBUTORS LTD.

Date

By: Anna- marie Gericke
Its: President

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Anna-marie Gericke, President of GREEN GOLD DISTRIBUTORS LTD., a South African corporation, on behalf of the corporation.

Notary Public in and for the _____
My commission expires: _____