

FIRST ADDENDUM TO WATER PURCHASE AGREEMENT

THIS FIRST ADDENDUM TO WATER PURCHASE AGREEMENT, hereinafter referred to as (the "Addendum") is made and entered into as of August 27, 2012 by and between the VIRGIN ISLANDS WATER AND POWER AUTHORITY ("WAPA"), a public authority established and existing under the laws of the United States Virgin Islands (the "U.S. Virgin Islands"), and Seven Seas Water Corporation (USVI). ("Seven Seas"), a corporation organized and existing under the laws of the United States Virgin Islands. Each of WAPA and Seven Seas may be referred to in this Agreement as the "Party" and collectively as the "Parties." All capitalized terms not otherwise defined in this First Addendum shall have the definitions specified in the St. Croix WPA (as defined below)

RECITALS

WHEREAS, on April 5, 2012, WAPA and Seven Seas executed a Water Purchase Agreement for the construction, installation and operation by Seven Seas of a First Pass Water Facility to be located at the Richmond Generation Plant on the island of St. Croix, U.S. Virgin Islands, hereinafter referred to as (the "St. Croix WPA"); and,

WHEREAS, pursuant to the terms of the St. Croix WPA Seven Seas will construct, install and operate an Ultrapure Water facility as described in the St. Croix WPA; and,

WHEREAS, on April 5, 2012, WAPA and Seven Seas executed a Lease Agreement, hereinafter (the "Lease"), for the leasing of real property from WAPA, as Lessor, to Seven Seas, as Lessee, for the construction, installation and operation by Seven Seas of the First Pass Water Facility and the Ultrapure Water facility within the Richmond Generation Plant on real property described and depicted in the Lease; and,

WHEREAS, WAPA has requested Seven Seas to construct, install and commercially operate the Ultrapure Water facility, as described in the St. Croix WPA, prior to the construction, installation and commercial operation of the First Pass Water Facility; and,

NOW THEREFORE, in consideration of the mutual promises and covenants of each Party to the other contained in this Addendum and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

TERMS OF ADDENDUM

1. Except as otherwise expressly provided herein, nothing in this First Addendum shall be construed such that this First Addendum changes the terms of the St. Croix WPA with respect to the subject matter of the St. Croix WPA.

2. Upon execution of this Addendum, Seven Seas shall immediately begin construction and installation of the Ultrapure Water facility as described and depicted in the St. Croix WPA and the Lease.

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3. Seven Seas shall cause the Ultrapure Water facility to be commercially operable, thereby providing Ultra-pure Water to meet WAPA's Ultrapure water needs as described in the St. Croix WPA, within One Hundred Eighty (180) Days from the date this Addendum is executed as evidenced below, provided WAPA performs, on a timely basis, its obligations as set forth in Section 3.5 of the St. Croix WPA with regards to the Ultrapure Water facility, including providing a clear site for the installation of the Ultrapure Water facility.

4. WAPA shall pay the St. Croix WPA contract price of two dollars and thirty cents (\$2.30) per KGAL to Seven Seas for the delivery of Ultrapure Water during the time wherein Seven Seas is applying for and seeking to obtain all permits, as described in the St. Croix WPA, necessary for Seven Seas to construct, install and operate the First Pass Water Facility.

5. In the event that Seven Seas should fail to obtain all permits, as described in the St. Croix WPA, necessary for Seven Seas to construct, install and operate the First Pass Water Facility then WAPA shall pay four dollars and eighty cents (\$4.80) per KGAL for Ultrapure Water delivered by Seven Seas to WAPA with said cost being retroactive to the initial commercial operation date of the Ultrapure Water facility and subject to all the Water Charge Adjustments as contemplated in Schedule 2 of the St. Croix WPA. Seven Seas shall credit WAPA on all retroactive monies due, if any, for monies already paid by WAPA for all Ultrapure Water previously delivered at the \$2.30 per kgal rate.

6. In the event that Seven Seas should fail to obtain all permits, as described in the St. Croix WPA, necessary for Seven Seas to construct, install and operate the First Pass Water Facility then this Addendum shall supersede the St. Croix WPA with all provisions relating to the Ultrapure Water facility remaining in full force and effect, including all provisions related to the Water Charge and Water Charge Adjustments, while those provisions in the St. Croix WPA related to the First Pass Water Facility shall become null and void including the following:

- Section 3.1 - Describing the First Pass Water Facility;
- Section 3.4 - Construction milestones related to the First Pass Water Facility;
- Section 3.11 - Construction Security;
- Section 4.3(a-b) - Safe Drinking Water Standards;
- Section 4.5 - Related to First Pass Water;
- Section 4.8 - Exclusivity;
- Article 11 - Provisions Related to the First Pass Water Facility;
- Schedule 1 - Provisions Related to First Pass Water;
- Schedule 3 - Provisions Related to First Pass Water;
- Schedule 4 - Provisions Related to First Pass Water;
- Schedule 5 - Provisions Related to First Pass Water;
- Schedule 7 - Provisions Related to First Pass Water;
- Schedule 10 - Provisions Related to First Pass Water; and,
- Schedule 11 - Provisions Related to First Pass Water.

7. In the event that Seven Seas should fail to obtain all permits, as described in the St. Croix WPA, necessary for Seven Seas to construct, install and operate the First Pass Water Facility then all provision, schedules and exhibits pertaining solely to the Ultrapure Water facility as found in the Lease Agreement shall remain in full force and effect.


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8. This Addendum shall become null and void upon Seven Seas obtaining all permits, as described in the St. Croix WPA, necessary for Seven Seas to construct, install and operate the First Pass Water Facility.

IN WITNESS WHEREOF, the Parties have caused this Addendum to be executed and delivered by their duly authorized representatives as of the date first set forth above.

ATTEST:

SEVEN SEAS WATER CORPORATION
(USVI)

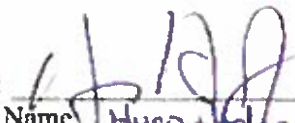

Deborah L. Gordon

By: 
Name: Douglas R Brown
Title: Chairman


ATTEST:

VIRGIN ISLANDS WATER AND POWER
AUTHORITY



By:  8/27/12
Name: Hugo Hodge Jr
Title: Executive Director / CEO

APPROVED AS TO LEGAL FORM AND
CONTENT

By:  8-27-2012
COUNSEL TO THE VIRGIN
ISLANDS WATER AND POWER
AUTHORITY