

Alaska Bulk Water Inc.

2211 Elliott Ave, Suite 200, Seattle,, Washington 98121

TRANSMITTED VIA EMAIL

August 13, 2015

GPIP Board of Directors
329 Harbor Drive Suite 212
Sitka, Alaska 99835

Attention: Gary White GPIP Park Director

Dear Sirs:

As you know, Alaska Bulk Water Inc. has made a substantial investment in building a bulk water loading station in the GPIP waterfront. This effort has been completed and awaits its first customers to begin loading water. ABWI, through its agents worldwide, and through its own efforts, has marketed to all the water stressed areas of the world. ABWI has also contacted most of the water districts in Southern California as well as numerous private companies in agriculture and in industry. The responses have been positive and many of these companies are in the process of developing the logistics to receive the water from water tanker vessels. Much of this effort is directed to building piping and tank facilities to store the water for further use. However, these new customers of ABWI are not in a position to have water shipped to them until they have the necessary infrastructure to accept the water. ABWI has been working with many of these customers to help with the planning and development of such infrastructure.

ABWI has a deadline to ship 50 million gallons by Dec. 8, 2015 in order to be in compliance with its bulk water agreement. While all efforts are being directed to meet this requirement, it is uncertain whether the receiving facilities or temporary storage devices can be installed in time to meet this schedule. Many customers are looking at shipping water in containers until their bulk water facilities are completed.

ABWI's customers are concerned that ABWI will be able to honor its commitments if it does not meet its requirement to ship 50 million gallons this year. Their concern involves the investment that they are making in water storage and piping. ABWI has considered various solutions to ship water to temporary customer facilities in order to accelerate the shipping schedules. However, these are both expensive and inconvenient.

In consideration of these facts, ABWI requests an extension of its contract for 3 years. ABWI will make a deposit of \$1 million dollars at the expiration of the current contract in December. ABWI believes that the bulk water business will quickly grow and that

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expansion will be needed to the bulk water loading station. We envision that CBS's desire to build a general purpose dock in Silver Bay can incorporate the needs for bulk water as well. ABWI offers to assist with the planning and development of this dock. As a gesture of good faith, ABWI offers to make available the bottom profiling documents that were developed for ABWI for its Mooring System in Silver Bay. We paid \$41,400 for this bathymetric work so we feel this will save CBS both time and money as part of the engineering effort for the general purpose dock.

Time is of the essence, so that ABWI can assure its customers of its ability to supply water and continue to help develop this emerging new industry.

Yours truly,

/s/ Terry Trapp

TERRY TRAPP
Chief Executive Officer
Alaska Bulk Water Inc.

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2211 Elliott Ave, Seattle, Washington Suite 200 98121

September 23, 2105

TRANSMITTED VIA EMAIL

GPIP Board Members
329 Harbor Drive Suite 212
Sitka, Alaska 99835

Attention: Gary White GPIP Park Director

Dears Sirs:

Pursuant to my letter of August 13, 2015, I would like to furnish some further updates. Regarding bulk water sales, ABWI has recently contracted with a company who has a customer wanting to purchase a minimum of 5 billion gallons per year. This customer who is in the Middle East will meet in Sitka next month to consummate this agreement. They expect to begin shipping water before the end of the year. We are informed that they have infrastructure in place and can off load and store large amounts of water. This is very encouraging to us as most prospective customers are in the process of building their off loading infrastructure or developing plans for temporary storage.

Another very active prospect for bulk water in Mexico is a prominent beer bottler who very much needs good water for its name brand beer. They are awaiting samples of our bulk water so that they can perform their own analysis of the water before they commit to a contract. We plan to meet with Mexico's large petroleum company in the next 45 days as well to solidify plans for bulk water. Currently, ABWI has a contract for 300 million gallons to Mexico for which it has collected a deposit.

ABWI has developed an agent network of 10 companies who are pursuing markets in Mexico, China, UAE, Saudi Arabia, and Brazil. Domestic marketing is aimed at California where we are obtaining assistance from U.S. Congresswoman Janice Hahn. Congresswoman Hahn has scheduled a meeting at her office in California on Oct. 5 to discuss how her office can make bulk water from Alaska to California a reality. We will be making a presentation on bulk water and the issues to bring water into California. Additional members of Congress have been invited to attend this meeting.

Additionally, ABWI is also in communication with the Office of the US Trade Representatives which is part of the Executive Office of the President. Their assistance in helping with the import of bulk water which is a new commodity should ease the problems of transacting business with foreign governments. They have agreed to set up a new import code for bulk water. They seem to be quite excited about the success of shipping bulk water around the world.

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ABWI has organized to conduct the business of bulk water shipments by engaging the very best professionals. ABWI has opened a corporate office in Seattle and has retained Perkins Coie as its attorney for foreign contacts and international law. In addition, Holmes Weedle and Barcott have been retained as maritime attorneys. KPMG was hired as the national corporate accounting firm. Green Rubino is the companies PR firm and has helped develop a new website. In short, ABWI has put together a solid team to assist in all the matters necessary to conduct international business.

As described in my previous letter, ABWI must assure its clients that it will have a contract intact on a long term basis. This concern is important for the continued efforts of our customers in their capital expenditures. Moreover, it is important that ABWI maintain its exclusivity for bulk water. Customers want to be assured that they are dealing with one entity which has the authority to contract and deliver the water loaded on board their vessels.

ABWI has performed on everything that is in its control. A loading station for bulk water was built at a cost of approximately 1.5 million dollars readying the supply of bulk water. The domestic and international market for bulk water customers has been covered through a closely monitored agent network. A hard contract for water in Mexico has been signed and a deposit collected. An imminent contract for over 5 billion gallons per year is on the table. Government support at the federal level has been enlisted for both domestic and international customers.

Much of our effort at this time is directed at helping our customers and prospects develop their infrastructure and secure shipping companies to furnish water tankers or barges to begin their business. Plans are still underway to initiate shipping bulk water in containers though ABWI has no staging or loading area for this business. It is our hope that the board will revisit this need.

Considering the comprehensive effort and financial commitment that ABWI has made to the bulk water business, we argue that ABWI is the best choice for the sale of Sitka's bulk water and therefore urge that the GPIP Board accept our proposal for extending the ABWI's bulk water contract.

Yours truly,

/s/ Terry Trapp

Terry Trapp
CEO ABWI

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