

Contractor Agreement

THIS AGREEMENT made the 17th day of May, 2007, by and between Alaska Power and Telephone, Alaska Telephone Company division, hereinafter called the Contractor, and Craig Community Association (CCA), hereinafter called the Owner.

WITNESSETH, that the Contractor and the Owner for the considerations named agree as follows:

Article 1. Scope of the Work

The Contractor shall furnish all of the materials and perform all of the work required for telephone relocation on the Port Saint Nicholas Road, as shown on the Drawings or described in the Engineers Estimate and accompanying letter dated January 12, 2007, annexed hereto, as it pertains to work to be performed on property within the 60' rights-of-way along the Port Saint Nicholas Road from 0+00 Craig-Klawock Highway to approximately 5.3 mile Port Saint Nicholas Road. The first section, Phase A, is from the highway through the Shaan Seet Trailer Park; the second section, Phase B, will go from the Trailer Park to the City of Craig's Water Treatment Plant at Station 279+19.14. In Phase A, a new 600 pair cable will be required and the pole at the intersection of the highway and the Port Saint Nicholas Road will be replaced. In Phase B, the sections of telephone cable requiring relocation will be replaced and the lower 100 pair cable that has been identified as a clearance problem will be removed and retired. 7500 feet of drop wire will be required. Any alteration or deviation from the above specifications, including but not limited to any additional material or labor costs, will be approved only upon an agreed written order for same, signed by Owner and Contractor.

Article 2. Time of Completion

The work to be performed under this Contract shall be commenced on or before July 16, 2007, and shall be substantially completed on or before December 31, 2007. Time is of the essence. The following constitutes substantial completion of work pursuant to this proposal and contract: cables replaced or relocated and service restored to all customers.

Article 3. The Contract Price

The Owner shall pay the Contractor for time and materials for the described work to be performed under the Contract based upon cost reimbursement invoices to be submitted bi-weekly. The Contractor shall do its best to stay within the engineer's estimate in the amount of \$134,001.00 dollars. The parties recognize that the estimate does not include costs of the work of removing danger trees and that the coordination between the parties will be critical to controlling costs

on the project. Contractor will immediately notify Owner of any changes in the engineer's estimate.

Article 4. Payments

Payments of the Contract Price shall be paid in the manner following: Bi-Weekly within 10 days of receipt of detailed written invoices for time and materials accompanied by releases or lien waivers as required. Contractor shall furnish Owner appropriate releases or waivers of lien for all work performed or materials provided at the time the invoice requesting the next periodic payment is submitted. If payment is not made when due, Contractor may suspend work on the job until such time as all payments due have been made. A failure to make payment for a period in excess of 30 days from the due date of the payment shall be deemed a material breach of this contract. The parties recognize that Owner's performance depends on the availability of federal funds. Nothing in this Agreement shall require or permit the parties to violate the terms upon which the federal funds may be made available.

Article 5. Compliance with Laws

Contractor shall carry on its construction operations hereunder, and all work connected therewith, in strict compliance with the laws of the State of Alaska and of the United States and of the City, as applicable, and any rules and regulations that apply, including those relating to transmission line construction, logging, fire prevention, OSHA, safety and environmental protection.

Article 6. Independent Contractor

Contractor is and shall be considered for all purposes an independent contractor and is not an agent, partner, joint venturer, servant or employee of Owner.

Article 7. General Provisions

The following general provisions apply:

1. The Contractor shall furnish sufficient Traffic Control to assure that Public Health and Safety Standards are met and that traffic is moving at a safe speed through the work zones.
2. To the extent required by law all work shall be performed by individuals duly licensed and authorized by law to perform said work.
3. Contractor shall at its own expense obtain all permits necessary for the work to be performed.
4. Contractor may at its discretion engage subcontractors to perform work hereunder, provided (1) Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract; (2) all provisions of this Agreement shall be incorporated into and be a part of all sub-contracts entered by Contractor to perform the work.

5. Contractor agrees to remove all debris, leave the premises in as good or better condition than they were prior to the work, and properly dispose of all hazardous materials and waste used or created by Contractor.
6. Arbitration shall be the sole remedy as to all disputes, controversies, or claims between the parties arising out of or relating to the parties' rights and obligations established by this Agreement. A party making a claim shall, by written notice to the other party, invoke arbitration as the sole method to resolve the dispute. Arbitration shall be conducted at a neutral site in Alaska under the Commercial Arbitration Rules of the American Arbitration Association, and the Federal Arbitration Act, except that: (1) nothing in said Rules or Act shall be construed as consent to suit by the Owner in the courts of the state of Alaska or in the courts of any other State, except an action to compel arbitration or to enforce a valid arbitration award; and (2) the laws of the State of Alaska shall be applied only to the extent that no Federal law applies. The parties shall mutually agree on a single arbitrator to hear a dispute. The arbitrator shall be an attorney who is licensed in good standing of the State Bar of Alaska or the bar of another State, and has at least five (5) years experience in both construction law and Federal Indian law. The decision of the arbitrator shall be final and binding without recourse to any court. The costs of arbitration, such as the arbitrator's fees, shall be borne equally by the parties. Each party shall bear their own attorneys' fees and costs. The arbitrator shall have no authority to award consequential, exemplary, incidental or punitive damages, or attorneys' fees or costs. The arbitrator shall only have the authority to award actual damages or equitable relief. Any damage award against the Owner shall be paid solely from funds made available for the Project and not with any other monies or property of the Owner.
7. Contractor shall not be liable for any delay due to circumstances beyond its control including strikes, casualty or general unavailability of materials.
8. To assure compliance with Davis-Bacon Act requirements, Contractor shall provide Owner a signed affidavit of work classifications and wage and fringe benefit rates demonstrating that Contractor will meet or exceed the total prevailing wage requirements for the specific worker classifications required by the State of Alaska Labor Standards and Safety Division.

Article 8. Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless Owner from, any loss, expense, damage, claim, demand, judgment, fee, charge, lien, liability, action, cause of action or proceeding of any kind whatsoever (including without limitation attorney fees and third party consultant fees), that are said to arise in any fashion from an action or omission of Contractor or its agents, contractors, subcontractors, employees, subcontractors' employees, licensees, invitees or permittees (including without limitation any breach of this Agreement), or arising from any accident, injury or

damage whatsoever caused by any person, or to the property of any person or entity occurring during the term of this Agreement, where such accident, damage or injury results from any act or omission on the part of Contractors or its subcontractors, agents, employees, subcontractors' employees, licensees, invitees, or designees.

Article 9. Insurance and bonding

The Contractor represents that it has purchased and agrees that it will keep in force for the duration of the performance of the work or for such longer term as may be required by this Agreement, in a company or companies lawfully authorized to do business in the State of Alaska, such insurance as will protect Owner and any other owner of the site, if the site is not owned by CCA, from claims for loss or injury which might arise out of or result from the Contractor's operations under this project, whether such operations be by the Contractor or by a subcontractor or its subcontractors.

The Contractor represents and agrees that said insurance is written for and shall be maintained in an amount not less than the limits of the liability specified below or required by law, whichever coverage is greater. The Contractor certifies that coverage written on a "claims made" form will be maintained without interruption from the commencement of work until the expiration of all applicable statutes of limitation.

1. Worker's Compensation -- as required by law and Employer's Liability Insurance in the amount of \$1,000,000.00 each injury/accident, which shall remain in force during the term of this Agreement.
2. Comprehensive Liability with limits of not less than \$1,000,000.00 per accident as respects bodily injury and \$1,000,000.00 as respects property damages, and including Contractor's all-risk broad form coverage (including completed work and work in progress and materials to be incorporated into the work).
3. Comprehensive Automobile Liability (owned, non-owned, hired) of \$1,000,000.00 each accident.

The Contractor shall deliver Certificates of Insurance, naming the Owner as additional insured, in duplicate, acceptable to all parties prior to commencement of work, which shall contain a provision that coverages under the policies shall not be cancelled or allowed to expire or permit material changes until at least 30 days written notice has been given to additional insured.

Name and Registration No. of any Salesperson who solicited or negotiated this contract: Edward K. Thomas, Jr. (Sam)

Signed this 17th day of May, 2007.

Signed in the presence of:

Witness: _____ Witness: _____

Name of Owner: Craig Community Association Name of Contractor: Alaska Power & Telephone

By: _____ By: _____
Signature: _____ Signature: _____

Street Address: P.O. Box 149

City/State/Zip: Klawock, Alaska 99925

Telephone No.: (907) 755-4825 greg.m@aptalaska.com

Contractor's State License No.: _____

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Contractor Agreement

THIS AGREEMENT made the 17th day of May, 2007, by and between Alaska Power and Telephone, Electrical Division, hereinafter called the Contractor, and Craig Community Association (CCA), hereinafter called the Owner.

WITNESSETH, that the Contractor and the Owner for the considerations named agree as follows:

Article 1. Scope of the Work

The Contractor shall furnish all of the materials and perform all of the work required for power relocation on the Port Saint Nicholas Road, as shown on the Drawings or described in the 2007 Project Workorder Worksheet and accompanying letter dated January 16, 2007, annexed hereto, as it pertains to work to be performed on property within the 60' rights-of-way along the Port Saint Nicholas Road from 0+00 Craig-Klawock Highway to approximately 5.3 mile Port Saint Nicholas Road. Estimated to move 13 Overhead Guy Poles, 44 Primary Poles, 13 Secondary Service Poles, and Associated Power Conductors. Owner agrees to provide surveying associated with staking new pole locations. Project estimates will be updated upon complete staking of the route and new pole locations. If the result of the new estimate exceeds a 10% +/- variance Owner and Contractor agree to negotiate changes to this Agreement. Any alteration or deviation from the above specifications, including but not limited to any additional material or labor costs, will be approved only upon an agreed written change order for same, signed by Owner and Contractor.

Article 2. Time of Completion

The work to be performed under this Contract shall be commenced on or before July 16, 2007, and shall be substantially completed on or before October 30, 2007. Time is of the essence. The following constitutes substantial completion of work pursuant to this proposal and contract: power poles set in place as surveyed to meet the exact location of the placement of the poles, and associated power conductors relocated.

Article 3. The Contract Price

The Owner shall pay the Contractor for time and materials for the described work to be performed under the Contract based upon cost reimbursement invoices to be submitted bi-weekly. The Contractor shall do its best to stay within the engineer's estimate identified in the attached W.O. # C-730 in the amount of \$338,356.32 dollars. The parties recognize that the estimate does not include costs of the work of removing danger trees and that coordination between the parties will be critical to controlling costs on the project. Contractor will immediately notify Owner of any changes in the engineer's estimate.

Article 4. Payments

Payments of the Contract Price shall be paid in the manner following: Bi-Weekly within 10 days of receipt of detailed written invoices for time and materials accompanied by releases or lien waivers as required. Contractor shall furnish Owner appropriate releases or waivers of lien for all work performed or materials provided at the time the invoice requesting the next periodic payment is submitted. If payment is not made when due, Contractor may suspend work on the job until such time as all payments due have been made. A failure to make payment for a period in excess of 30 days from the due date of the payment shall be deemed a material breach of this contract. The parties recognize that Owner's performance depends on the availability of federal funds. Nothing in this Agreement shall require or permit the parties to violate the terms upon which the federal funds may be made available.

Article 5. Compliance with Laws

Contractor shall carry on its construction operations hereunder, and all work connected therewith, in strict compliance with the laws of the State of Alaska and of the United States and of the City, as applicable, and any rules and regulations that apply, including those relating to transmission line construction, logging, fire prevention, OSHA, safety and environmental protection.

Article 6. Independent Contractor

Contractor is and shall be considered for all purposes an independent contractor and is not an agent, partner, joint venturer, servant or employee of Owner.

Article 7. General Provisions

The following general provisions apply:

1. The Contractor shall furnish sufficient Traffic Control to assure that Public Health and Safety Standards are met and that traffic is moving at a safe speed through the work zones.
2. To the extent required by law all work shall be performed by individuals duly licensed and authorized by law to perform said work.
3. Contractor shall at its own expense obtain all permits necessary for the work to be performed.
4. Contractor may at its discretion engage subcontractors to perform work hereunder, provided (1) Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract; (2) all provisions of this Agreement shall be incorporated into and be a part of all sub-contracts entered by Contractor to perform the work.
5. Contractor agrees to remove all debris, leave the premises in as good or better condition than they were prior to the work, and properly dispose of

- all hazardous materials and waste used or created by Contractor.
6. Arbitration shall be the sole remedy as to all disputes, controversies, or claims between the parties arising out of or relating to the parties' rights and obligations established by this Agreement. A party making a claim shall, by written notice to the other party, invoke arbitration as the sole method to resolve the dispute. Arbitration shall be conducted at a neutral site in Alaska under the Commercial Arbitration Rules of the American Arbitration Association, and the Federal Arbitration Act, except that: (1) nothing in said Rules or Act shall be construed as consent to suit by the Owner in the courts of the state of Alaska or in the courts of any other State, except an action to compel arbitration or to enforce a valid arbitration award; and (2) the laws of the State of Alaska shall be applied only to the extent that no Federal law applies. The parties shall mutually agree on a single arbitrator to hear a dispute. The arbitrator shall be an attorney who is licensed in good standing of the State Bar of Alaska or the bar of another State, and has at least five (5) years experience in both construction law and Federal Indian law. The decision of the arbitrator shall be final and binding without recourse to any court. The costs of arbitration, such as the arbitrator's fees, shall be borne equally by the parties. Each party shall bear their own attorneys' fees and costs. The arbitrator shall have no authority to award consequential, exemplary, incidental or punitive damages, or attorneys' fees or costs. The arbitrator shall only have the authority to award actual damages or equitable relief. Any damage award against the Owner shall be paid solely from funds made available for the Project and not with any other monies or property of the Owner.
 7. Contractor shall not be liable for any delay due to circumstances beyond its control including strikes, casualty or general unavailability of materials.
 8. To assure compliance with Davis-Bacon Act requirements, Contractor shall provide Owner a signed affidavit of work classifications and wage and fringe benefit rates demonstrating that Contractor will meet or exceed the total prevailing wage requirements for the specific worker classifications required by the State of Alaska Labor Standards and Safety Division.

Article 8. Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless Owner from, any loss, expense, damage, claim, demand, judgment, fee, charge, lien, liability, action, cause of action or proceeding of any kind whatsoever (including without limitation attorney fees and third party consultant fees), that are said to arise in any fashion from an act or omission of Contractor or its agents, contractors, subcontractors, employees, subcontractors' employees, licensees, invitees or permittees (including without limitation any breach of this Agreement), or arising from any accident, injury or damage whatsoever caused by any person, or to the property of any person or entity occurring the term of this Agreement, where such accident, damage or injury

results from any act or omission on the part of Contractor or its subcontractors, agents, employees, subcontractors' employees, licensees, invitees, or designees.

Article 9. Insurance and bonding

The Contractor represents that it has purchased and agrees that it will keep in force for the duration of the performance of the work or for such longer term as may be required by this agreement, in a company or companies lawfully authorized to do business in the State of Alaska, such insurance as will protect Owner and any other owner of the site, if the site is not owned by CCA, from claims for loss or injury which might arise out of or result from the Contractor's operations under this project, whether such operations be by the Contractor or by a subcontractor or its subcontractors.

The Contractor represents and agrees that said insurance is written for and shall be maintained in an amount not less than the limits of the liability specified below or required by law, whichever coverage is greater. The Contractor certifies that coverage written on a "claims made" form will be maintained without interruption from the commencement of work until the expiration of all applicable statutes of limitation.

1. Worker's Compensation -- as required by law and Employer's Liability Insurance in the amount of \$1,000,000.00 each injury/accident, which shall remain in force during the term of this Agreement.
2. Comprehensive Liability with limits of not less than \$1,000,000.00 per accident as respects bodily injury and \$1,000,000.00 as respects property damages, and including Contractor's all-risk broad form coverage (including completed work and work in progress and materials to be incorporated into the work).
3. Comprehensive Automobile Liability (owned, non-owned, hired) of \$1,000,000.00 each accident.

The Contractor shall deliver Certificates of Insurance, naming the Owner as additional insured, in duplicate, acceptable to all parties prior to commencement of work, which shall contain a provision that coverages under the policies shall not be cancelled or allowed to expire or permit material changes until at least 30 days written notice has been given to additional insured.

Article 10. Additional Terms

The Contractor shall timely notify any pole licensee, including Craig Cable T.V., of any poles to be replaced and of the licensees' obligation to transfer attachments at licensees' expense or to reimburse the Contractor.

Name and Registration No. of any Salesperson who solicited or negotiated this contract: Edward K. Thomas, Jr.

Signed this 17th day of May, 2007.

Signed in the presence of:

Witness: _____ Witness: _____

Name of Owner: Craig Community Association Name of Contractor: Alaska Power & Telephone

By: _____ By: _____
Signature: _____ Signature: _____

Street Address: P.O. Box 149

City/State/Zip: Klawock, Alaska 99925

Telephone No.: (907) 755-4825 greg.m@aptalaska.com

Contractor's State License No.: _____

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