



Cooperative Project Agreement

**A Hoonah Cannery Road Rockfall Mitigation and
Walking Trail Accessibility Upgrade Project**

A Collaboration Between:

The Hoonah Indian Association and

The City of Hoonah, Alaska

Project No. TTP-15-HCR01

January 30, 2015

**COOPERATIVE PROJECT AGREEMENT
PUBLIC SAFETY AND WALKING TRAIL IMPROVEMENTS
CITY OF HOONAH, ALASKA
PROJECT NO. TTP-15-HCR01**

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A. INTRODUCTION

The Tunnel Bluff in Hoonah, known as “Gaaw” among the local Tlingit, is among the most sacred sites of the Xuna Káawu, the indigenous people of the area. It has special significance to the Chookaneidi clan, whose oral history includes the Ch’et story telling of the blood price paid for the area during a battle with an invading warrior party.

Following the settlement of “Hoonah” and the battle referenced in the Ch’et story, a series of “improvements” took place at “Gaaw” with the intentions of improving travel conditions between the village site and the cannery established at Point Sophia. The initial improvement consisted of the construction of a board walkway to a small carved out tunnel through the bluff (see photo attachment A). This was followed by an expansion of the tunnel opening and construction of a rudimentary dirt road capable of handling the first automobiles in the community. The collapse of the over-arching rock, that gave the area its “tunnel” designation, led to the road again being expanded to its present overall width.

A pedestrian walking trail through the “Tunnel Bluff” area in response to increased foot traffic stemming from cruise passenger disembarking at the tourist destination, was recently added. The full width of the walking trail was unable to fit within the existing gap between the outer burial islands and the upland bluffs, resulting in the width of the trail being reduced to a single lane and being located immediately adjacent to the burial island. The single lane of foot traffic is overhung by a deteriorating rocky knoll resulting in a constant threat of falling rock.

With each of these improvements to the roadway and the addition of the walking trail, the overall condition of the uphill slopes was not addressed. The conditions on the upland slope have deteriorated significantly, resulting in an increased frequency of rocks falling onto and across the roadway and walking trail. Geological and Engineering assessment of the conditions conclude that the conditions will continue to deteriorate until there is a catastrophic failure of the constituent rock. Finding a solution, given the cultural sensitivity and historic nature of the location will require the joint collaborative efforts of the Municipality of Hoonah and the Hoonah Indian Association, (hereafter HIA) the federally recognized tribe of the Xuna Kaawu.

B. SCOPE OF PROJECT

The scope of this project are described by the 95% plans and related project administration documentation produced by R&M Engineers under contract to HIA. These scope of project work documents are incorporated into this CPA by reference as **Attachment 1** and includes all construction engineering, inspection, construction surveying, project administration including all required environmental, cultural protection, and safety controls, and materials testing necessary to complete the project.

C. PROJECT COST

C-1. Cost Estimate Table

Element	Scope of Work	Qty	Units	Unit Cost	Extended Cost
1	Mobilization & Explosives Acquisition	1	LS	\$372,000	\$372,000
2	Site Preparation and Access Road Construction	1	LS	\$352,400	\$352,400
3	Rock Drilling, Blasting. Loading and Haul-off - Progress Point 1	1	PP	\$327,000	\$437,000
4	Rock Drilling, Blasting. Loading and Haul-off - Progress Point 2	1	PP	\$481,000	\$421,000
5	Rock Drilling, Blasting. Loading and Haul-off - Progress Point 3	1	PP	\$481,000	\$411,000
6	Project Site Restoration and Reclamation	1	LS	\$106,800	\$106,800
7	Demobilization	1	LS	\$150,000	\$150,000
8	Support Services & Direct Charges	1	PP	\$546,800	\$546,800
9	Rock Royalty	80K	CY	\$ 2.25	180,000

C-2. Project Funding

<u>Contributor</u>	<u>Fiscal Year</u>	<u>Description</u>	<u>Amount</u>
State of Alaska	(State) 2014	Walking Trail Grant	\$ 575,000
City of Hoonah	(City) 2014	Land Development Fund	\$ 245,000
City of Hoonah	(City) 2015	Rock Sale Receipts	\$ 1,452,000
City of Hoonah	(City) 2015	Excise Tax	\$ 715,000
TOTAL PROJECT FUNDING			\$ 2,997,000

The City will reimburse HIA for services rendered and materials purchased for this project in accordance with the payment schedule provided in this agreement.

D. PROJECT PAYMENT SCHEDULE

Payment to HIA from the City will be made in accordance with the Project Payment Schedule described in **Exhibit 1**. The parties may mutually agree to modify the payment schedule to accommodate unforeseen conditions at the project worksite.

E. GENERAL PROVISIONS

It is agreed between the parties that all materials shall be furnished and delivered and all labor shall be done and performed, in every respect, to the satisfaction of the City, on or before April 30, 2015, or within 90 Calendar Days of the execution of the CPA whichever is later.

It is distinctly understood and agreed that no claim for additional work or materials, done or furnished by HIA and not specifically herein provided for, will be allowed by HIA, nor shall HIA do any work or furnish any material not covered by this Contract, unless such work is ordered in writing by the City. In no event shall the City be liable for any materials furnished or used, or for any work or labor done, unless the materials, work, or labor are required by the Contract or on written order furnished by the City. Any such work or materials which may be done or furnished by HIA without written order first being given shall be at HIA's own risk, cost, and expense and the Contractor hereby covenants and agrees to make no claim for compensation for work or materials done or furnished without any such written order.

HIA shall be responsible for any claims arising out of the construction of the Project. In entering into this cooperative project agreement shall not constitute a waiver of sovereign immunity by either the City of Hoonah or HIA. HIA shall provide proof of insurance providing coverage to meet statutory requirements. The proof of insurance must list the City as additionally insured.

The contractor must also agree to indemnify and save harmless the City and all of its officers, agents, and servants against any claim or liability arising from its work on the Project. HIA shall supervise and monitor the day-to-day performance of its staff and any contractors and shall report to the City regarding their findings on a monthly basis. It will also prepare revised documentation or schedules, and alert the City of any problems, which could delay or alter the agreed-upon terms of the CPA.

HIA shall preserve and make available for review and inspection by the City all critical project-specific records and reports related to the scope of this project. These shall be maintained for three years after the project closeout. Project closeout shall be the point at which an Affidavit of Project Completion is signed by all parties.

HIA shall adhere to applicable laws, regulations, and guidance in the administration of this CPA.

F. AMENDMENTS

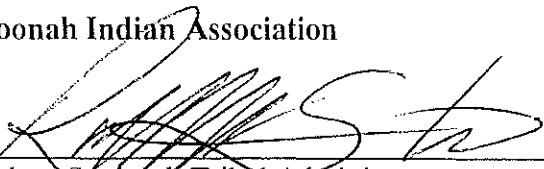
This agreement may be amended by the TRIBE or the CITY at any time, provided the amendment makes specific reference to this agreement, is executed in writing, is signed by authorized representatives of both organizations, and is approved by the Tribal Council and the City Council. Such amendments shall not invalidate this CPA, or relieve or release either party from its obligations.

The City may at its discretion amend this agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of service or schedule, or the activities

to be undertaken as part of this agreement, such modification will be incorporated only by written amendment signed by both the City and HIA.

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Project Agreement and hereby agree to its terms and conditions.

Hoonah Indian Association



Robert Starbard, Tribal Administrator

January 29, 2015

Signature Date

City of Hoonah



Kenneth K. Skaflestad, Mayor

1-29-15

Signature Date

Exhibit 1

Project Payment Schedule

Project Payment Schedule

Element	Scope of Work	Element Estimated Cost	Due Date	Comment
1	Mobilization & Explosives Acquisition	\$372,000	1 week of CPA execution	Quoted Price - Invoice / Lump Sum
2	Site Preparation and Access Road Construction	\$352,400	2 weeks of CPA execution	Quoted Price - Invoice / Lump Sum
3	Rock Drilling, Blasting. Loading and Haul-off - Progress Point 1	\$437,000	50% on start of Bench (3 weeks of CPA execution) 50% on bench completion (5 weeks of CPA execution)	Not to exceed Quoted Price - Balance to be supported by Invoices
**	Check Point 1 for continuation determination	-	5 weeks of CPA execution Continue - go element 4 Discontinue - go element 6	Continuation Letter from City to HIA
4	Rock Drilling, Blasting. Loading and Haul-off - Progress Point 2	\$421,000	50% on continuation order (6 weeks of CPA execution) 50% on Progress Point 2 completion (8 weeks of CPA execution)	Not to exceed Quoted Price - Balance to be supported by Invoices
**	Check Point 2 for continuation determination	-	9 weeks of CPA execution Continue - go element 5 Discontinue - go element 6	Continuation Letter from City to HIA
5	Rock Drilling, Blasting. Loading and Haul-off - Progress Point 3	\$411,000	50% on continuation order (10 weeks of CPA execution) 50% on Progress Point 3 completion (11 weeks of CPA execution)	Not to exceed Quoted Price - Balance to be supported by Invoices
			50% on discontinuation order: Check Point 1 (6 weeks of CPA execution) or discontinuation order: Check Point 2 (10 weeks of CPA execution) or completion of Progress Point 3 (12 weeks of CPA execution) 50% on submission of Project Completion Affidavit (14 weeks of CPA Execution)	
6	Project Site Restoration and Reclamation	\$106,800		Not to exceed Quoted Price - Balance to be supported by Invoices
7	Demobilization	\$150,000	After Element 6 completion and Project Completion Affidavit (15 weeks of CPA Execution)	Quoted Price - Invoice / Lump Sum
8	Support Services & Direct Charges	\$546,800	10 business days of invoice submission	Not to exceed Quoted Price - Supported by Invoices
9	Rock Royalty	\$180,000	Within 30 days of project completion	In-bank volume calculation and Invoice / Per CY

Exhibit 2

SCOPE OF PROJECT

TEMPORARY CONSTRUCTION ACCESS AGREEMENT

THIS AGREEMENT IS MADE between HUNA TOTEM CORPORATION, an Alaska Native Corporation, of 9301 Glacier Highway, Juneau, Alaska 99801 ("HTC") and CITY OF HOONAH, a municipal corporation, of P.O. Box 360, Hoonah, Alaska 99829 ("City") and HOONAH INDIAN ASSOCIATION, of P.O. Box 602, Hoonah, Alaska 99829-0602 (Contractor).

RECITALS

A. HTC has granted the City of Hoonah an access easement across lands belonging to HTC which have been improved for vehicle and pedestrian access and is commonly known as "Cannery Road".

B. Under the easement agreement the City has the duty to maintain the roadway and pedestrian right of way and to defend and indemnify HTC from any and all claims arising out of the use of Cannery Road.

C. A portion of Cannery Road runs through an area locally known as the "The Tunnel" and is characterized by steep rock slopes that front onto the right of way of the easement.

D. The rock slopes are experiencing continued fracturing and weathering which is causing instability and rocks falling onto Cannery Road. All parties acknowledge the inherent danger to vehicles and pedestrians of rocks falling onto Cannery Road.

E. The City and Contractor have been working cooperatively to evaluate the stability of the rock slope on Cannery Road and various means to stabilize the rock slopes.

F. The City and Contractor have engaged the services of R&M Consultants, Inc., to conduct a geo-hazard study of the rock slopes and to recommend the most Temporary Construction Access Agreement - HTC/City of Hoonah, 0001-137
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effective and safest solution to the inherent danger the rock slopes pose to users of Cannery Road.

G. R&M has identified four potential alternative methods for slope stabilization and recommended "Slope Setback and Flattening" as the preferred alternative.

H. In order to perform the work necessary to stabilize the slope through that alternative the City and Contractor will need permission from HTC to use its lands to access the work site.

I. The parties recognize the cultural sensitivity of this area, and the need for protection and preservation of its cultural significance.

J. The parties desire to formally establish, in writing and as a matter of record, the intention to create the access agreement and the conditions upon which the access is granted and accepted.

AGREEMENT

1. The above referenced recitals set forth in Paragraphs A through I above are hereby restated and incorporated by reference.

2. **Granting of Access for Construction and Reclamation.** **HOONAH TOTEM CORPORATION** does hereby grant to the **CITY OF HOONAH**, and its Contractor and their assigns, a non-exclusive license to use the following described property of HTC located in the Sitka Recording District, First Judicial District, State of Alaska:

See Attached Exhibit A.

3. **Purpose of Access License.** The purpose of the license granted from HTC to the City and Contractor is to allow ingress and egress across HTC's property to the City, its Contractor and their agents, subcontractors and engineers, on the existing road commonly referred to as Cannery Road, and property identified in Exhibit A (the

construction access area) for the construction of an equipment access road and installation of the improvements and other construction purposes reasonably related to the work of Slope Setback and Flattening as set forth in R&M's construction drawings contained Exhibit B. In addition, the City, its Contractor and their agents, subcontractors and engineers are granted access to the Property during normal business hours to conduct all studies, tests, examinations and surveys necessary to design and construct the improvements and site restoration.

4. **Term of License.** The license shall commence on the effective date of this agreement and shall automatically terminate and expire upon (I) the date the rock removal and restoration work is completed, or (II) May 1, 2015, whichever date occurs first. In the event that the restoration work is not completed by May 1, 2015 the City and Contractor may re-enter the temporary construction license area after September 28, 2015 for the sole purpose of completing the restoration work and for a maximum of 60 days.

5. **Costs of the Work.** The City agrees to be responsible for all costs associated with the Slope setback and flattening as detailed in R&M's report to the City, including but not limited to construction of the access road located in the temporary construction area, grading, traffic control, snow removal, site restoration, and all maintenance necessary to maintain the area in a safe condition.

6. **Site Restoration.** The City, and any successors and assigns of the City, agrees place overburden soil on the benches of the final cut and construction access roads, then fertilize and seed grass, and plant local tree seedling species to screen the areas impacted by construction and the rock cuts and otherwise reasonably reduce any adverse visual impact from the work.

7. **Protection and Preservation of Cultural Sites.** The City and Contractor acknowledge that important cultural sites exist in proximity to the area in which work is to be conducted. The City and Contractor agree that no construction activity or other disturbance of the site and ground will occur on the Port Fredrick side of Cannery Road

or within a 25 yard radius of any other culturally sensitive area(s) known by Sealaska, Sealaska Heritage Institute or the Contractor or discovered by the Contractor. Culturally sensitive sites will be fixed by GPS and the boundaries of the no disturb area will be clearly delineated on the construction drawings. In the event Contractor, its employees, subcontractors or the City discovers any potential cultural artefacts, all work will immediately cease and Contractor agrees to consult with HTC to determine the best manner and means of protecting and preserving said cultural artefacts and/or sites. Violations of the no disturb area will result in liquidated damages of \$15,000.00 per incident per day in recognition that the damages to the cultural site cannot be adequately measured and have serious and irreparable impact upon the sanctity of this cultural site.

8. **Payment and Performance Bonds.** Contractor shall furnish bonds covering the faithful performance of the work to be performed on HTC's lands. Bonds may be obtained through the Contractor's usual source. The amount of each bond shall be equal to twenty five percent (25%) of the contract sum between City and Contractor. The Contractor shall deliver the required bonds to HTC no later than fifteen days before the commencement of the work. The Contractor shall require the attorney in fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of the power of attorney.

9. **Environmental Liability.** The City shall take all reasonable precautions to prevent the improper disposal of hazardous wastes and the pollution of air and water. It shall be the sole responsibility of the City and any of its assignees, to comply with all applicable environmental laws or regulations. Liability for any environmental or water quality damage that is caused by the City, or its assignees, shall be borne by and at its sole expense. The City, and its assignees' obligations under this paragraph shall survive the revocation of this access agreement. The City, and its assignees, shall indemnify and defend HTC from any and all losses, damages, expenses, claims, demands and civil or criminal liabilities or penalties, including reasonable costs of defense, resulting from the

City or its assignees' acts or omissions which cause environmental or water quality damage, or which cause losses, damages, expenses, claims, demands or civil or criminal penalties or sanctions to be incurred. The City, or its assignees, shall not, however, be liable for any condition created or existing on the property not caused by the City or its assignees.

10. **Rights of HTC.** At all times during the term of this agreement, HTC, its invitees, guests and assigns, shall have the right to access the work areas subject to this agreement for any and all purposes deemed necessary by HTC.

11. **Royalty to Sealaska.** The City and its Contractor acknowledge that the rock being removed from the site is owned by Sealaska Corporation as the holder of subsurface rights to ANCSA lands. The City and its Contractor agree to negotiate a royalty rate with Sealaska for that rock. The parties agree and acknowledge that a written royalty agreement is a condition precedent to this agreement. The City and Contractor shall indemnify and defend HTC from any and all losses, damages, expenses, claims, demands attributable to the royalty agreement between Sealaska and the City and Contractor.

12. **HTC Royalty Rights.** HTC agrees to forego its usual and customary \$1.10 per loose cubic yard royalty and entry fee charged for resource extraction from its lands for work under this access license.

13. **Recording of Agreement.** A copy of this agreement may be recorded with the District Recorder's Office, First Judicial District at Sitka.

14. **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof.

15. **Severability.** If any provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provision shall not be affected thereby.

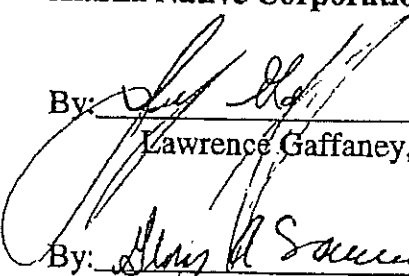
16. **Law Governing.** This Agreement shall be construed and interpreted in accordance with, and governed and enforced in all respects by, the laws of the State of Alaska.

17. **Attorney's Fees.** If an action or proceeding is brought in connection with this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorney's fees, court costs, and other reasonable fees and costs incurred in that action or proceeding (whether at trial, on appeal, and/or in a bankruptcy or similar proceeding) and in enforcing any judgment rendered thereon, in addition to any other relief to which it may otherwise be entitled. For purposes of this Agreement, the prevailing party means the party who succeeds either affirmatively or defensively under claims having the greater value or importance, as decided by the court.

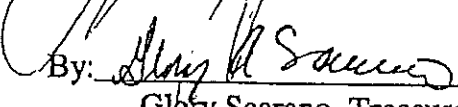
EXECUTED on the date written below.

**HUNA TOTEM CORPORATION, an
Alaska Native Corporation**

Date: 1/7/15

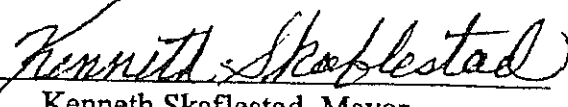
By: 
Lawrence Gaffaney, President and CEO

Date: 1/7/15

By: 
Glory Scarano, Treasurer


CITY OF HOONAH

Date: 1-8-15

By: 
Kenneth Skaflestad, Mayor

HOONAH INDIAN ASSOCIATION

Date: 1-8-2015

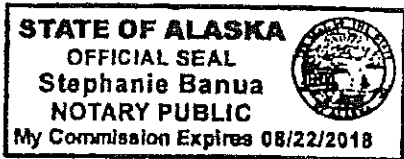
By: 

Robert Starbard, Tribal Administrator

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

On this 7TH day of JANUARY, 201~~4~~¹⁵, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Lawrence Gaffney and Glory Scarano, to me known to be the President and CEO and Treasurer, respectively, of **HUNA TOTEM CORPORATION**, the ANCSA corporation that executed the foregoing instrument, and they acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above-written.

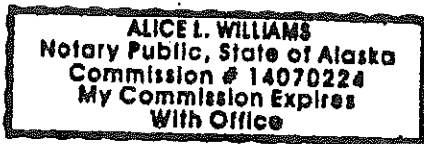


[Handwritten Signature]
Notary Public for Alaska
My Commission Expires: 08/22/2018

STATE OF ALASKA)
 : SS
FIRST JUDICIAL DISTRICT)

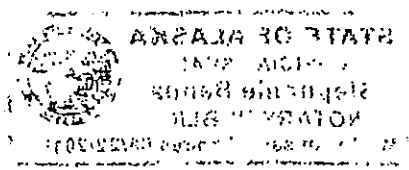
On this 8 day of Jan., 2014, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Kenneth Skaflestad, to me known to be the Mayor of **CITY OF HOONAH**, the municipal corporation that executed the foregoing instrument, and they acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above-written.



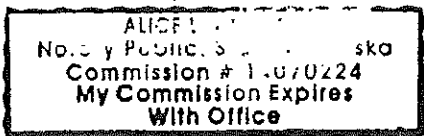
Alice L. Williams
Notary Public for Alaska
My Commission Expires: With Office

STATE OF ALASKA)
 : SS
FIRST JUDICIAL DISTRICT)

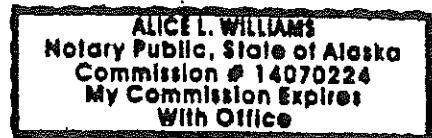


On this 8 day of Jan., 2014, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Robert Starbard, to me known to be the Tribal Administrator, of **The Hoonah Indian Association**, a federally recognized Tribal Entity that executed the foregoing instrument, and they acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above-written.



Alice L. Williams
Notary Public for Alaska



My Commission Expires: _____

After recording return to:
BAXTER BRUCE & SULLIVAN, P.C.
P.O. Box 32819
Juneau, Alaska 99803

AGREEMENT FOR THE SUPPLY OF CONTROLLED CONTRACT GOODS

DATED THE 31ST DAY OF JANUARY 2015

BETWEEN

HOONAH INDIAN ASSOCIATION
PO BOX 602
HOONAH AK 99829

AND

CHANNEL CONSTRUCTION INC.
PO BOX 33359
JUNEAU, AK. 99803

THE PARTIES:

BETWEEN: HOONAH INDIAN ASSOCIATION (HIA)
PO BOX 602
HOONAH AK 99829

AND: CHANNEL CONSTRUCTION INC. (CCI)
PO BOX 33359
JUNEAU, AK. 99803

1. THE ENGAGEMENT

- 1.1. HIA has engaged CCI to supply, transport, and store the 80,000 pounds of blasting agents and 20,000 initiation systems (the "Controlled Contract Goods") required to complete the Hoonah Tunnel Rockfall Mitigation and Trail Enhancement Project (the "Project") and CCI has agreed to supply, transport and store the Controlled Contract Goods for HIA for the Project.
- 1.2. CCI represents to HIA that CCI has the licensing and permitting, and the appropriate level of skill, knowledge, experience and expertise in providing the Controlled Contract Goods and will provide and transport the Controlled Contract Goods for the Project consistent with all industry standards, and applicable Federal and State of Alaska regulation.

2. PRICES & PAYMENT

- 2.1. HIA has agreed to pay CCI the contract sum of \$222,000.00 for the Controlled Contract Goods, payable in full on execution of the agreement. The Contract Sum is the full amount due for the Controlled Contract Goods, and is inclusive of magazine rental, transportation, permitting and documentation.
- 2.2. CCI shall furnish to HIA copies of all purchase orders, invoices, permits, transport documents, licenses, certifications, and usage logs related to the acquisition, transport, storage, use and control of the Controlled Contract Goods covered by this agreement and any subsequent additions or amendments.
- 2.3. If for whatever reason HIA does not pay for any Controlled Contract Goods when payment becomes due, CCI may suspend supply of the Controlled Contract Goods until all outstanding payments have been made. If HIA fails to make such payment within 7 days of any request for payment, then CCI may terminate this Agreement by giving notice in writing to HIA to that effect.

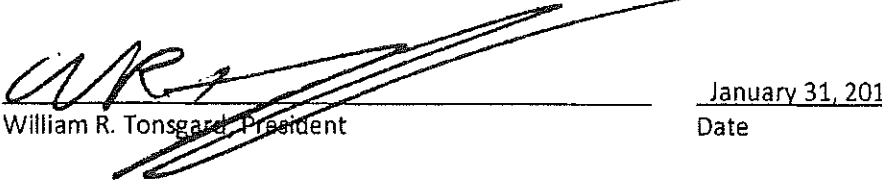
3. ORDERING, DELIVERY AND MAINTENANCE OF CONTROL

- 3.1. The Controlled Contract Goods must be delivered to a secure storage facility (magazine), near the Project, conforming to AS 18.70.010 – 100; 13 AAC 50.027 within 14 days from the date the agreement is executed.
- 3.2. The Controlled Contract Goods must be packaged and transported in a manner consistent with, and in compliance of, state and federal regulations and industry standards.

- 3.3. CCI will secure all applicable permitting and transport documents from the USCG as to allow the Controlled Contract Goods to be transported to the Project and not be damaged in the usual or normal course of such transportation.
- 3.4. The Controlled Contract Goods shall be secured in the approved magazines and maintained throughout the Project in accordance with all applicable federal and State of Alaska regulation.
- 3.5. Within 10 days following the completion of the Project, CCI will repurchase from HIA any remaining Controlled Contract Good inventory secured for the Project through this agreement, and subsequent contract modifications. The repurchase price shall be the price HIA paid to CCI as provided in the initial invoicing.

EXECUTED BY THE PARTIES AS AN AGREEMENT

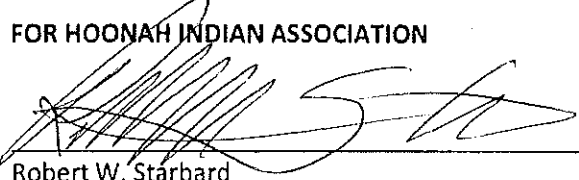
FOR CHANNEL CONSTRUCTION, INC



William R. Tongard, President

January 31, 2015
Date

FOR HOONAH INDIAN ASSOCIATION



Robert W. Starbard

January 31, 2015
Date

EQUIPMENT RENTAL AGREEMENT (LEASE)

THIS AGREEMENT, made the 31st day of January, by and between Hoonah Indian Association, hereafter called the Lessee, and Channel Construction, hereafter called the Lessor. Lessee and Lessor, for the consideration hereafter named, agree as follows:

Under the General Conditions of Lease attached to this sheet, Lessor hereby leases to Lessee all equipment named and identified in the following "List of Equipment," for use at the Hoonah Tunnel Rockfall Mitigation and Walking Trail Safety Improvement Project in Hoonah Alaska.

LIST OF EQUIPMENT

Description of Equipment	Location of equipment use	Duration of equipment use	Lessor ID Number	Base Rental (monthly)
Copco Rock Drill *	Hoonah	2/1/15 – 4/30/15		\$40,000
Copco Rock Drill *	Hoonah	2/1/15 – 4/30/15		\$40,000
Drillers Truck **	Hoonah	2/1/15 – 4/30/15		\$4,000
460 Excavator	Hoonah	2/1/15 – 4/30/15		\$37,000
10 yd Truck	Hoonah	2/1/15 – 4/30/15		\$20,800
10 yd Truck	Hoonah	2/1/15 – 4/30/15		20,800
Rock Truck	Hoonah	2/1/15 – 4/30/15		\$30,800
Rock Truck	Hoonah	2/1/15 – 4/30/15		\$30,800
D9 Dozer	Hoonah	2/1/15 – 4/30/15		\$52,000
700 Excavator	Hoonah	2/1/15 – 4/30/15		\$55,000
988 w/ Rock Breaker	Hoonah	2/1/15 – 4/30/15		\$52,000
220 Volvo Loader	Hoonah	2/1/15 – 4/30/15		\$39,000
330 Excavator	Hoonah	2/1/15 – 4/30/15		\$36,000
235 Excavator	Hoonah	2/1/15 – 4/30/15		\$35,000
Shop Van (includes Genset)	Hoonah	2/1/15 – 4/30/15		\$2,000
Fuel/Lube Service Truck	Hoonah	2/1/15 – 4/30/15		\$30,500
Pick-Up (X4)	Hoonah	2/1/15 – 4/30/15		\$2,000
Tractor / Lowboy	Hoonah	2/1/15 – 4/30/15		\$8,000
Light Plants (X2)	Hoonah	2/1/15 – 4/30/15		\$ 500

* includes all drill steel, couplings, bits, and drill grease required for Project

** includes explosive loading equipment/track truck/pumps/ cones

Mobilization and Demobilization Costs

Lessee shall pay mobilization charges of \$150,000 in advance of delivery the leased equipment to the project site in Hoonah. Within seven days following completion of the Project, Lessee will pay to Lessor a demobilization charge of \$150,000 for the delivery the leased equipment from the project site in Hoonah to Lessor's equipment yard in Juneau.

Standby Time

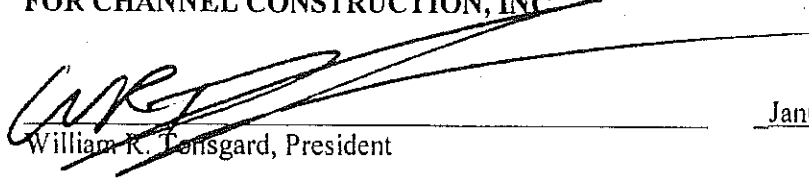
All leased equipment will be delivered to and picked up from the project worksite during the same mobilization and demobilization stages; however, not all of the leased equipment will enter service at the same time. Lessor will not charge Lessee for equipment in "stand-by" status. When the leased equipment begins to be utilized, it will become subject to the lease rate terms of the agreement.

Invoicing and Payments

Equipment Lease Payments will be made within five days against invoices submitted by Lessor to Lessee on a biweekly basis. Invoices shall be supported by project distribution forms (sample attached) identifying the equipment and its usage during the payment period.

IN WITNESS WHEREOF, they have executed this Agreement this 31st day of January 2015.

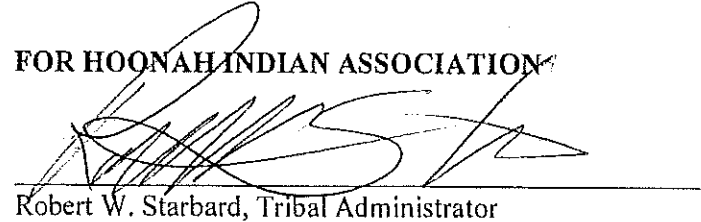
FOR CHANNEL CONSTRUCTION, INC



William K. Tonsgard, President

January 31, 2015
Date

FOR HOONAH INDIAN ASSOCIATION



Robert W. Starbard, Tribal Administrator

January 31, 2015
Date

EQUIPMENT RENTAL AGREEMENT (LEASE)

THIS AGREEMENT, made the 1st day of February, by and between Hoonah Indian Association, hereafter called the Lessee, and Coutlee and Son Construction, hereafter called the Lessor. Lessee and Lessor, for the consideration hereafter named, agree as follows:

Under the General Conditions of this agreement, Lessor hereby rents/leases to Lessee all equipment named and identified in the following "List of Equipment," for use at the Hoonah Tunnel Rockfall Mitigation and Walking Trail Safety Improvement Project in Hoonah Alaska.

LIST OF EQUIPMENT

Description of Equipment	Location of use	Duration of use	Rate \$/p/h	Lessor ID Number
10 yd Truck with Operator	Hoonah	2/1/15 – 4/30/15	125.00	
10 yd Truck with Operator	Hoonah	2/1/15 – 4/30/15	125.00	

Regular Operations

Leased equipment, inclusive of licensed operator and fuel, will be regularly available to the Lessee throughout the rental/lease term for a period of no less than 40 hours per week. Equipment will be invoiced at an hourly rate of \$125.00 inclusive of the licensed operator, for actual hours of operation, subject to the guaranteed 40-hour minimum. The hours of operation will be subject to the following limitations:

Unavailability of Equipment

If equipment is removed from service due to maintenance, mechanical failure, or government regulatory safety infraction, the guaranteed 40 hour minimum shall not apply and only actual hours of operation will be invoiced.

Personal Benefit Exception

Lessor will not include within the hours of operation any equipment utilization from which the Lessor derives personal benefit, including the transport of project-generated materials to Lessor owned or controlled properties.

Maintaining Condition of Rented Equipment

Lessor shall be responsible for maintaining rented equipment in a safe, workable condition, consistent with State regulations for operability.

Damage to Equipment

Lessor shall be responsible for damages to the rented equipment occurring during the normal course of operations; excepting if equipment is damaged due to Lessee negligence. Lessor shall immediately report all damage to equipment to Lessee, regardless of cause or responsibility.

Damage to Property of Others

Lessor shall be responsible for damages caused to the property of others occurring during the normal operation of the equipment; excepting if the property of others are damaged due to Lessee negligence. Lessor shall immediately report all damage to the property of others to Lessee, regardless of cause or responsibility.

Adherence to Rules and Regulations

Lessor will require the Lessor provided operators to adhere to all applicable rules and regulations (size, weight, speed, route designations, parking, etc) for the operation of the equipment. Lessor will require Lessor provided operators to adhere to all safety policies and procedures for this specific project.

Evidence of Insurance

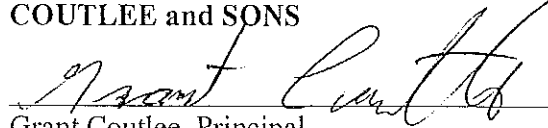
Lessor shall provide Lessee with “**Evidence of Insurance**” for the rented equipment within three (3) business days of the execution of this agreement, naming the Lessee and the City of Hoonah as additional insureds. Lessor shall submit evidence of insurability for each operator provided under this agreement.

Invoicing and Payments

Equipment Lease Payments will be made within five business days against invoices submitted by Lessor to Lessee on a biweekly basis. Invoices shall be supported by project distribution forms (sample attached) identifying the equipment and its usage during the payment period.

IN WITNESS WHEREOF, they have executed this Agreement this 31st day of January 2015.

COUTLEE and SONS




Grant Coutlee, Principal

March 9, 2015

Date

FOR HOONAH INDIAN ASSOCIATION



Robert W. Starbard, Tribal Administrator

March 9, 2015

Date



SPECIAL USE PERMIT
BETWEEN
STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
AND THE NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION

PERMIT NO. HNH-15-001

THIS PERMIT is issued and effective this 28th day of January, 2015, by the State of Alaska, Department of Transportation and Public Facilities, Southcoast Region Right-of-Way, whose mailing address is P.O. Box 112506, Juneau Alaska 99811-2506, acting through its Commissioner and referred to as; **City of Hoonah**, referred to as "Permittee," whose mailing address is: **PO Box 360, Hoonah, AK 99829**.

Permittee may occupy the following described right-of-way, which is shown on the attached drawing, and is referred to hereinafter as the "Permitted Area":

The proposed permit area is located at approximately the area contained within a line starting at the North West corner of the Alaska Marine Highway Facility property, following the Right of Way line North-West 625 feet to the end of DOT&PF controlled Right of Way. Then crossing to the North East side of the right of Way and heading South East along the Right of Way line to directly across from the starting point and crossing to the point of origin.

For the purpose of: The creation of a rock fall mitigation trench and associated traffic control

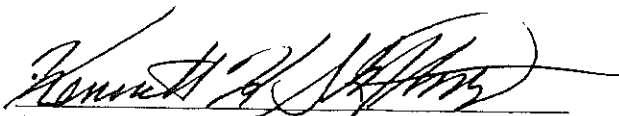
This permit is subject to the provisions of Alaska Administrative Code, Title 17, Chapter 010, and the following general and special conditions:

1. **Allowed Use:** The permitted area is to be used for: constructing a rock fall mitigation trench and associated traffic control.
2. **Term:** Permittee may occupy the permitted area for a term of two (2) years unless sooner revoked as provided herein. Before the expiration of said term, and before subsequent term anniversary dates, Permittee may request, in writing, renewal of this Permit for an additional term.
3. **Use by the State:** The issuance of this Permit notwithstanding, the permitted area's primary use is for transportation purposes. The State may revoke this permit (as stated below), and/or enter the permitted area at any time, without notice, for emergency use, or for the planning, design, construction, inspection, or maintenance of existing or future transportation facilities. Any such use of the permitted area will in no way invoke the protections provided under 23 USC Section 138 (Preservation of Parklands).
4. **Compliance with Laws:** Permittee shall comply with all laws, ordinances, regulations, and administrative agency and/or court orders, including those relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. No fuel, hazardous or combustible substances are to be stored in the Permit area. Should Permittee's use of the permitted area cause any discharge, leak, spill, emission, or pollution release of any type to occur at any time during this occupancy, Permittee shall immediately notify the State and the appropriate federal, state, and local authorities. Permittee shall act immediately to contain and/or absorb the release, repair any damage, and clean up the release area, and to restore the permitted area to compliance with all applicable state, federal, or local laws or regulations. Permittee shall be held liable for any and all costs incurred by the State to dispose of cleanup materials or to clean up the permitted area unless otherwise agreed to, in writing, by both parties.
5. **Corps of Engineers Authorization:** Before any filling activities take place within the right-of-way, or on the property adjacent to the right-of-way affected by this permit, please contact the U.S. Army Corps of Engineers (USACE) to see if any further authorization is required. Placement of fill material in waters of the U.S., including wetlands and streams, requires prior authorization in most cases. You can reach the USACE at:
 - a. Anchorage: (907) 753-2712, Fax: (907) 753-5567 Toll Free 1-800-478-2712
Juneau: (907) 790-4490, Fax: (907) 790-4499
 - b. The website is <http://www.poa.usace.army.mil/reg>

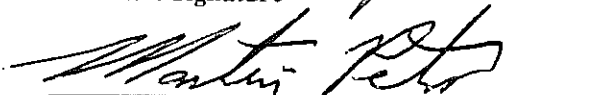
Blast Plan to Marty

6. **Waiver of Claims:** Permittee waives any claim or right of action Permittee may have against the State in the event of damage to property, and injury to or death of any person in the permitted area that arises because of the design, construction, maintenance, management, or operation of a highway in the right of way containing the permitted area.
7. **Reimbursement of Costs:** Permittee shall reimburse the State for all costs and expenses incurred by the State, including attorney's fees, in any action brought by the State to recover any delinquent fees, or for the breach of any terms or conditions contained in this Permit, or to recover possession of the permitted area.
8. **Non-discrimination:** No person, on the basis of race, religion, color, national origin, age, or sex, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in that person's use of the permitted area.
9. **Assignment:** Permittee may not assign or transfer this permit.
10. **Indemnification:** Permittee shall indemnify, defend, and hold harmless the State, and its officers, employees, and contractors, from any claim resulting from injury, loss, or damage to any person or personal property resulting from the Permittee's use of the permitted area.
11. **Revocation:** This Permit is not a property right but a temporary authorization, revocable by the State. The State may revoke this permit in its sole discretion and upon 30 days written notice unless a shorter period is agreed to herein by Permittee. Said notice will be sent to Permittee's last known mailing address. Permittee shall have no right of action against the State. Upon the expiration or revocation of this Permit, Permittee shall remove all encroachments and restore the permitted area to a clean and safe condition. This Permit may be also revoked based upon a written determination by the Federal Highway Administration that federal funding requirements applicable to outdoor advertising have been violated.
12. **Loss of Business:** The State is not responsible for loss of business.
13. **No Relocation Benefits:** Issuance of this Permit does not entitle Permittee to a payment of just compensation or relocation benefits under AS 34.60 if Permit is revoked, Permittee elects not to renew, or the State denies Permittee's request for renewal.
14. **Cancellation by Permittee:** Permittee may cancel this Permit by providing written notice to the State at the above address. Permittee is not entitled to a refund of any fees or expenses related to the revocation or cancellation of this Permit.
15. **Abandonment by Permittee:** Upon abandonment by Permittee of the permitted area, Permittee's rights under this Permit will immediately terminate, but Permittee's obligations will survive until fulfilled.
16. **Notification of Completion:** Permittee shall provide notification of completion of work and arrange final inspection by DOT & PF Utility Personnel.

I, _____ acknowledge that I am acting on behalf of the above named organization with the full authority to do so. I further acknowledge and accept that the _____ shall comply with all conditions that the Department of Transportation and Public Facilities has included as a condition of issuing this permit.


 Permittee Signature

1-29-15
 Date


 DOT & PF Signature

1/28/2015
 Date

ALASKA COASTAL
AGGREGATES



May 19, 2015

Hand Delivered

To: Hoonah Indian Association
Attn: Robert Starband, CEO/Tribal Administrator
P.O. Box 602
Hoonah, Alaska 99829
rstarband@pci.net

Re: First Addendum to Material Agreement (Hoonah Tunnel Bluffs Project)

Bob:

Pursuant to our discussion today, regarding amendments to the agreement between Hoonah Indian Association ("HIA") and Alaska Coastal Aggregates, LLC ("ACA") to sever, extract and remove barren rock and gravel and other material from the subsurface estate owned by Sealaska Corporation (herein, the "Material Agreement"), please sign and date this First Addendum to the Material Agreement, and return a signed copy to me.

It is agreed that HIA shall pay ACA on or before June 1, 2015 for 50,000 cubic yards of Material, under the terms and conditions described in the Material Agreement and at the rate described in Paragraph 4 of the Material Agreement.

It is also agreed that the following terms and conditions in the Material Agreement between HIA and ACA are amended as follows. Unless otherwise noted, each paragraph shall replace its corresponding paragraph in the Material Agreement in its entirety.

Amend Paragraph 3. in its entirety as follows:

3. Term and Renewal. This Agreement shall commence on January 1, 2015 and end on November 1, 2015, after which date no further severance, extraction or removal of the Materials shall be done.

Amend Paragraph 4.2 and 4.4 in their entirety as follows:

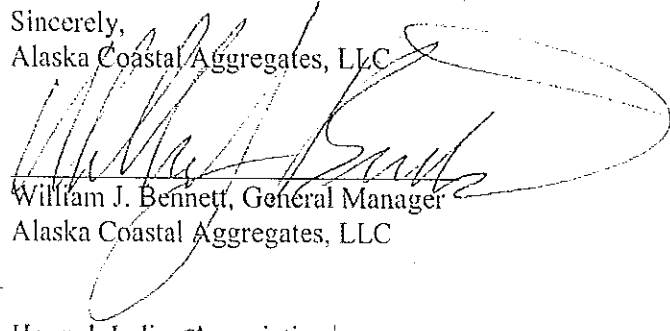
4.2 Usage report shall be submitted to ACA, on or before November 1, 2015. Any sums due hereunder which are not paid when due, as the parties shall determine, shall bear interest at the rate of 10.5% per annum until paid in full. Any sums due which are not paid within 90 days shall constitute a default by Buyer.

4.4 Buyer shall pay ACA on or before November 15, 2015 for usage calculated from the before and after surveys.

All other terms and conditions of the Material Agreement remain unchanged, and are hereby ratified by the parties and shall remain in full force and effect. The undersigned are hereby authorized, in their representative capacities, to execute this First Addendum to Material Agreement on behalf of the parties to the Material Agreement.

If you have any questions, please call.

Sincerely,
Alaska Coastal Aggregates, LLC



William J. Bennett, General Manager
Alaska Coastal Aggregates, LLC

Dated: May 19 2015

Hoonah Indian Association



Robert Starbard, CEO/Tribal Administrator
Hoonah Indian Association

AGREEMENT TO PURCHASE MATERIALS

1. Parties. This Agreement for the Purchase of Materials (hereinafter referred to as "Agreement"), dated January 30, 2015 between Hoonah Indian Association., PO Box 602 Hoonah, AK 99829 (hereinafter referred to as "Buyer"), and ALASKA COASTAL AGGREGATES, LLC, (One Sealaska Plaza, Suite 400, Juneau, Alaska 99801), a limited liability company organized and existing under the laws of the State of Alaska., (hereinafter referred to as "ACA"). The use of the terms "ACA" and "Buyer" shall, where appropriate, also include each party's respective employees, contractors, subcontractors, agents, subsidiaries, and assigns.

2. Description.

2.1 For the consideration set forth below, ACA, a wholly owned subsidiary of Sealaska Corporation, hereby grants, sells, and conveys to Buyer the right to sever, extract and remove, in accordance with the terms and conditions set forth below, barren rock and gravel, hereafter "Materials."

2.2 Said Materials are a portion of the subsurface estate of the following described property, a map of the property attached hereto as Exhibit A, located on, USGS Juneau (A-5) Alaska Quadrangle and situated in Copper River Meridian and located in the Juneau Recording District of the First Judicial District, State of Alaska:

<u>Quarry</u>	<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Product</u>
ACA # 2 T	43 South	61 East	28	Barren Rock

2.3 Buyer shall be responsible for accurate location of operations under this Agreement, including any necessary surveys. Buyer shall notify ACA of proposed operations prior to severing, extracting, and removal of Materials. Extraction of said Materials shall be limited and expressly confined to the above-described premises.

3. Term and Renewal. This Agreement shall be for a term of Six (6) months, commencing on January 1, 2015 and ending on June 30, 2015, after which date no further severance, extraction or removal of the Materials shall be done.

4. Payment. During the term of this Agreement, payment to be made by Buyer to ACA for all Materials severed, extracted and removed pursuant to this Agreement, at the rate of \$2.25 per cubic yard for all Materials severed, extracted and removed pursuant to this Agreement.

4.1 Buyer shall tender to ACA a usage report, accompanied by the before and after surveys as set forth below, for all Materials severed, extracted and removed pursuant to this Agreement based upon the volume determination set forth in paragraph 5, below.

4.2 Usage report shall be submitted to ACA, by the end of the 2015 second quarter (June 30, 2015), Any sums due hereunder which are not paid when due, as the parties shall determine, shall bear interest at the rate of 10.5% per annum until

paid in full. Any sums due which are not paid within 90 days shall constitute a default by Buyer.

4.3 Buyer will submit to ACA a survey performed by an independent 3rd party before the start of operations and a survey performed by an independent 3rd party at the end of operations to determine usage.

4.4 Buyer will pay ACA by the end of the 2nd quarter (June 30, 2015) for usage calculated from the before and after surveys.

4.5 If such sums are not paid within ten (10) days of written notice of default, ACA may terminate this Agreement.

5. Volume Determination. The method of volume determination for the purpose of determining the sale price, pursuant to the above paragraph, shall consist of one of the following methods: (i) load count, based on loose cubic yards; (ii) survey method, bank cubic yards in place; (iii) weight of measured samples converted to loose cubic yards; (iv) Road mileage measurement @ 10,000 cy per mile; or (v) such other acceptable practice or procedure as to which the parties may mutually agree in writing. The parties agree that the method of volume determination for this Agreement shall be that method described in (ii) of this Paragraph 5 and above in Paragraph 4.3.

6. Accounting/Dispute. In the event that Buyer or ACA disagree with any accounts made hereunder, Buyer, at his own expense, may have an independent cross-section survey conducted, either photogrammetrically or by on-site survey, to determine the quantity of Materials extracted by Buyer. Such a survey shall be based upon baseline data prepared by Buyer. This contemplates that Buyer shall establish control points after clearing and grubbing have been completed, and shall document such control points by an aerial or on-site survey. If the parties cannot agree, they shall select one qualified surveyor, who shall make the independent survey either on-site or photogrammetrically, whichever is the most economical. Except for gross negligence, mistake or fraud, the results of the survey shall be binding on the parties.

7. Equipment. Buyer shall provide all necessary equipment and personnel to enable it to sever, extract, remove and account for the Materials specified herein.

8. Expiration. Upon the termination of this Agreement, it is the sole responsibility of Buyer to remove the Materials in a timely fashion, but in no event shall any Materials be severed, extracted, or removed from the road right of way sites or pits established pursuant to this Agreement after the termination date stated above. It is specifically agreed to by Buyer and ACA that, upon expiration of this Agreement, all title and interest to any and all Materials not removed from the road right of way sites and pits shall revert and remain with ACA. Buyer shall retain no residual interest or any other interest of any kind in said Materials.

9. Plan of Operations. All work undertaken by Buyer pursuant to this Agreement shall be performed pursuant to a Plan of Operations submitted by Buyer to ACA before Buyer begins its operations under this Agreement. All of Buyer's operations shall be in accordance with the Plan of Operations and conducted in a workmanlike manner and consistent with prevailing community and industry standards applicable to such operations, including all local, state and federal government regulations. Specifically, in the event this Agreement authorizes Buyer to extract and remove Materials from an existing Material site, then all Materials removed

and extracted by Buyer under this Agreement shall be from the existing high wall and under no circumstances shall any Materials be removed from the existing floor of the Material site. Buyer shall comply with any and all existing cost share agreements relating to facilities

10. Inspection and Safety.

10.1 All work undertaken by Buyer pursuant to this Agreement shall be performed in accordance with the regulations of the Mine Safety and Health Administration and OSHA regarding safety precautions on or about the premises, and all applicable environmental laws or regulations. If, in the opinion of ACA or its duly authorized agent, work is not performed in a manner consistent with the above standards, ACA shall, upon the giving of 24 hours notice to Buyer, have the option to suspend this Agreement until such time as a compliance is secured or, in the event that compliance is not forthcoming within ten (10) days of such notice, to terminate this Agreement without further liability to ACA. However, nothing herein shall be construed as imposing any duty or obligation on the part of ACA to inspect or maintain such standards, the entire burden of same being hereby expressly allocated to Buyer.

10.2 Buyer shall save harmless and indemnify ACA from all suits, actions, or claims of any character brought on account of any injury or damage sustained by any person or property in consequence of any neglect or on account of any act or omission by Buyer or its employees arising during ACA's inspection of Buyer's operations under this Agreement.

10.3 ACA shall save harmless and indemnify Buyer from all suits, actions, or claims of any character brought on account of any injury or damage sustained by any person or property in consequence of any neglect or on account of any act or omission by ACA, or its employees, arising during its inspection of Buyer's operations under this Agreement.

11. Environmental/Water Quality. Buyer shall take all reasonable precautions to prevent improper disposal of hazardous wastes and the pollution of air and water by Buyer's operations. It shall be Buyer's sole responsibility to comply with all applicable environmental laws or regulations, subject to Buyer's right to contest the same. Liability for any environmental or water quality damage that is caused by Buyer's lack of compliance with this paragraph shall be borne solely by Buyer. If ACA finds evidence which reasonably indicates that air, land, water quality or other environmental damage has occurred or is about to occur, ACA shall have the right, upon written notice to Buyer, to require Buyer or its contractors, agents or assigns to cease immediately that portion of operations which is causing or is about to cause such air, land, water quality or other environmental damage and to direct Buyer in writing to take immediate action to correct or eliminate said damage or threat thereof prior to recommencing such portions of operations. ACA's rights under this provision shall not release Buyer of its obligation hereunder, nor shall it constitute a waiver of ACA's rights as provided by this Agreement and/or by law, and shall not create an obligation on ACA's part to provide for any inspections as to environmental practices of Buyer, or to take any responsibility whatsoever for Buyer's actions, it being agreed that compliance therewith is the sole responsibility of Buyer. Liability for any environmental or water quality damage that is caused by Buyer or its contractors, agents or assigns, shall be borne

by and at the sole expense of Buyer. If Buyer fails or refuses to correct or repair any environmental damage within a reasonable time after having received written notice thereof from ACA, and such environmental damage was caused by Buyer's failure to comply with applicable laws or with any obligation or covenant of this Agreement after being directed to do so, then ACA shall have the right to contract with any qualified party to correct said condition, and Buyer shall pay to ACA on demand for all actual costs of said correction or repair. Buyer's obligations under this paragraph and ACA's rights shall survive the termination of this Agreement. Notwithstanding any other provision, Buyer shall indemnify and defend ACA from any and all losses, damages, expenses, claims, demands and civil or criminal liabilities or penalties, including reasonable costs of defense, resulting from Buyer's acts or omissions which cause environmental or water quality damage, or which cause losses, damages, expenses, claims, demands or civil or criminal penalties or sanctions to be incurred.

12. Warranties and Representations of Buyer and ACA. Buyer represents and warrants to ACA that:

12.1 Buyer, or its contractor, has inspected the source of the Materials and ascertained all of the necessary facts underlying this sale without the aid of ACA. Buyer acknowledges that no representations have been made by ACA or relied upon by Buyer in connection with the quality, availability, or quantity of the Materials which are subject to this Agreement.

12.2 Buyer, or its contractor, will maintain comprehensive general liability insurance covering bodily injury, death, and property damage with a combined single limit of not less than \$500,000.00; and in the event that Buyer's contractor has employees Buyer's contractor shall obtain such insurance, required by law, for at least the required statutory amounts covering claims under Workers' Compensation, disability benefits, and other similar employee benefits acts, including employer's liability insurance. The insurance shall be placed with an insurance carrier or carriers. Buyer shall not have any rights under this Agreement until Buyer has furnished ACA proof of such insurance as required herein.

12.3 Buyer is qualified to do business in Alaska.

12.4 Buyer will comply with all requirements of any state or federal governmental agency regarding rehabilitation, restoration, maintenance, safety, or environmental quality of the premises and shall in no event leave the premises at any time in an unsafe or hazardous condition, or in a condition unfit for subsequent utilization of remaining or residual Materials thereon. Obligations of Buyer's contractor and subcontractors shall include, but not be limited to, leaving the premises as readily or as conveniently accessible as when Buyer was actively engaged in operations thereon and providing for proper and adequate drainage of water from and about the premises. ACA shall inspect the Material site(s) upon expiration of this Agreement and shall execute a written release with respect to the same as soon as it reasonably meets the requirements of this paragraph.

12.5 Buyer shall be fully responsible for securing from state and/or federal agencies all permits, titles and leases and other documents as may be proper and necessary to enable Buyer to perform its obligation under this Agreement.

12.6 Buyer shall hold ACA harmless and indemnify it against all liens. Buyer warrants further that it will be responsible for all state, federal and local taxes arising out of this Agreement.

13. Indemnification.

13.1 If any liability is, or is sought to be, imposed by any person or entity against ACA, as a result of any action or non-action by Buyer, taken pursuant to this Agreement, then ACA, against whom such liability is, or is sought to be, imposed, shall be entitled to defense and indemnification in accordance with this Paragraph 13 from Buyer. Buyer shall be responsible for the cost of defense and shall indemnify, protect, save and hold harmless ACA from and against all liabilities, obligations, losses, damages, penalties, fines, claims (including, without limitation, claims involving all clean-up and remedial obligations, fines, penalties, damages and liabilities, whether made by regulating agencies, the public or others, resulting from environmental or hazardous waste contamination or harm), judgments, out-of-pocket costs, expenses and disbursements of any kind whatsoever, without any limitations as to amount ("Claims") which may be imposed on, incurred by or asserted against ACA. Notwithstanding the foregoing, ACA shall not be indemnified under this paragraph 13 with respect to that portion of its liabilities attributable to its own fault hereunder, negligence or willful misconduct. To the extent that ACA, in fact, receives indemnification payments from Buyer under this paragraph 13, Buyer shall be subrogated, to the extent of the indemnity paid, to ACA's rights with respect to the transaction or event requiring or giving rise to such indemnity; provided, to the extent the indemnity is not fully paid, Buyer's subrogation rights shall be secondary to those of ACA.

13.2 ACA shall give Buyer written notice of Claims covered under Paragraph 13.1, and Buyer shall be responsible for the cost of the defense of such Claims. ACA shall notify Buyer upon the receipt of any notice of any Claims or filing of any complaint regarding any Claims. ACA shall have the right to select its own counsel and respond to the Claim in the manner in which, in its sole discretion, it deems appropriate, but shall keep Buyer apprised of its position. Buyer shall cooperate with ACA in the defense, and provide ACA with such information as it may reasonably request to prosecute the defense. ACA will support any request for intervention made by Buyer.

14. Limited Express Waiver of Sovereign Immunity.

14.1 Buyer, a federally recognized tribe, waives its sovereign immunity solely with respect to ACA, and solely for the limited purpose of enforcement of this Agreement. The limited waiver provided in this paragraph extends only to civil actions and remedies authorized under this Agreement; any action to confirm or enforce any judgment obtained under this Agreement; and any appellate

proceedings related to a matter for which immunity was waived under this Agreement.

14.2 No other waiver or consent to be sued is granted. Buyer does not waive any aspect of its sovereign immunity with respect to actions by third parties.

14.3 The undersigned is authorized to execute this limited waiver of Buyer's sovereign immunity.

14.4 Buyer's attorney has reviewed and approves this limited express waiver of Buyer's sovereign immunity.

15. Reservation of Rights. ACA hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself forever, any and all Materials and minerals not specifically mentioned herein in this Agreement, together with the right to explore and develop the same.

16. Access. ACA hereby grants to Buyer, in consideration of the covenants of this Agreement, access to the subsurface estate subject to this Agreement. It is Buyer's responsibility and cost to obtain access rights to the surface estate overlying the subsurface estate subject to this Agreement. The Buyer shall provide ACA written notification from the surface estate owner that the Buyer has been granted access rights to the surface estate overlying the subsurface estate subject to this agreement. Access to the subsurface estate is conditioned upon ACA receiving this written notification. The overlying surface estate owner of the subsurface estate in this agreement is Huna Totem Corporation. Said subsurface estate access shall terminate upon the termination of this Agreement and Buyer shall have no right of subsurface estate access after the termination date. This Agreement shall be strictly construed to permit only the Buyer, as defined herein, to access the Material sites specified in Paragraph 2.1. Buyer shall not allow any other party access to said Material sites.

17. Assignment. This Agreement shall be binding upon and inure to the benefit of Buyer and ACA, and their respective heirs, affiliates, agents, lessees, contractors, subcontractors, licensees and successors. No other party shall be permitted to extract, remove, or use Material under this Agreement without the written consent of ACA and Buyer. This Agreement may be assigned by Buyer, with the consent of ACA, said consent to not be unreasonably withheld. Any purported assignment by Buyer without said consent shall be void and unenforceable.

18. Definitions.

18.1 "Barren" refers to mineral matter which is void of commercial value other than for fill, road building, construction or other related uses and which does not contain commercially extractable quantities of other minerals or ores.

19. Miscellaneous.

19.1 This Agreement shall be construed in accordance with the laws of the State of Alaska. Venue shall be in the First Judicial District at Juneau, Alaska. If any provision of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof.

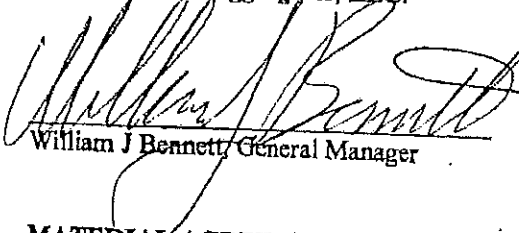
19.2 This document and those documents which are specifically incorporated by reference herein shall constitute the entire agreement of the parties. There

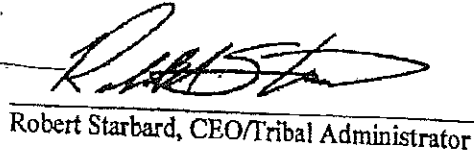
shall be no other agreements or understandings between the parties except those specifically set forth in writing, mutually agreed upon and acknowledged by signatures of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers duly authorized on the day and year first above written.

Alaska Coastal Aggregates, LLC.


Hoonah Indian Association


William J Bennett, General Manager

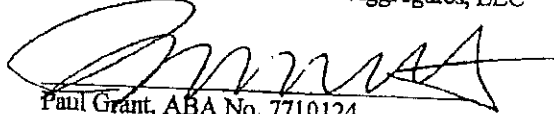

Robert Starbard, CEO/Tribal Administrator

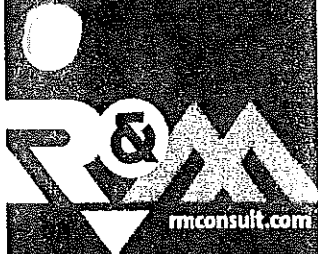
MATERIAL AGREEMENT APPROVED AS TO FORM BY ATTORNEYS FOR ALASKA COASTAL AGGREGATES, LLC AND HOONAH INDIAN ASSOCIATION.

Date: 2/2/15, 2015


James Sheehan, ABA No. 0506056
Simpson, Tillinghast, Sorensen & Sheehan, P.C.
Attorneys for Alaska Coastal Aggregates, LLC

Date: 2/2/15, 2015


Paul Grant, ABA No. 7710124
Law Office of Paul Grant
Attorney for Hoonah Indian Association



R&M CONSULTANTS, INC.

9101 Vanguard Drive
Anchorage, Alaska 99507

phone: 907.522.1707

fax: 907.522.3403

November 7, 2014

R&M No. 2205.01

Mark Pusich, P.E.
R&M Engineering, Inc.
6205 Glacier Highway
Juneau, Alaska 99801

RE: Rockfall Hazard Evaluation
Cannery Road
Hoonah, Alaska

Dear Mr. Pusich:

R&M Consultants, Inc. (R&M) was contracted by R&M Engineering, Inc. (RME) to evaluate the stability of a rock slope on Cannery Road in Hoonah, Alaska. R&M representative Robert Pintner, P.E. visited the site on October 21, 2014. Cannery Road follows the coast of Port Fredrick, connecting the town of Hoonah with Icy Straight Point. A pedestrian walkway parallels the road on the seaward side, and was reported to be heavily used in summer months. The subject slope is located about 0.1 miles northwest of the Alaska Marine Highway System (AMHS) ferry terminal. Figure 1 shows the project area as viewed from the ferry terminal.

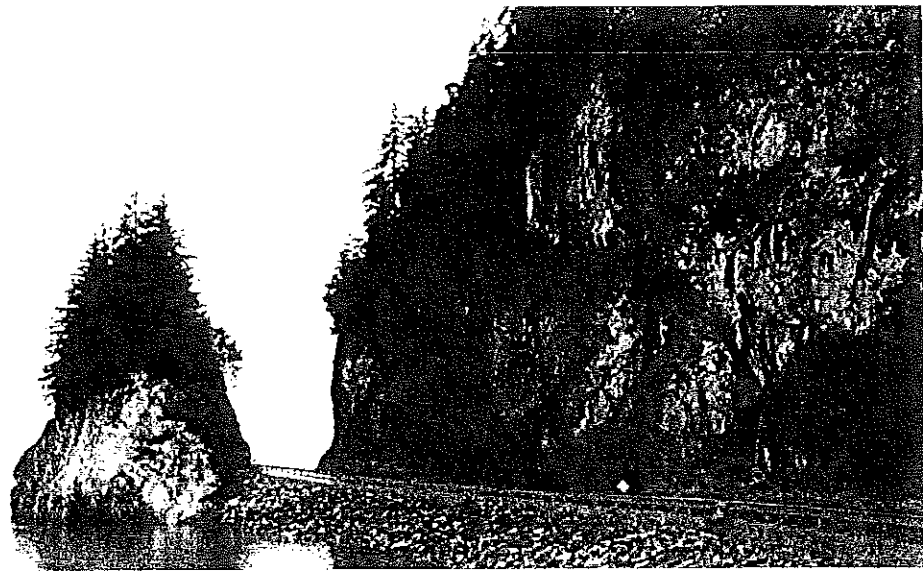


Figure 1: Project area viewed from the AMHS ferry terminal 10/21/2014

The road currently passes through a cut between the bedrock headland and a near vertical rock slope. The road originally passed through a tunnel which was enlarged to its current configuration in approximately 1974. The removal of the tunnel resulted in a tall, apparently unstable cut, which regularly sheds rocks onto the roadway. The rate of rockfall has apparently increased in recent years raising concern about the safety of vehicles and pedestrians using the roadway and path.

It is understood that the plan to mitigate the rockfall hazard includes shifting the road away from the cliff as much as possible to create a rock catchment area. However, the headland cannot be removed because it is apparently the location of one or more cultural resources. Therefore for the remainder of this report it will be assumed that the road will remain through the cut and the slope on the east side of the road will require measures to reduce the rockfall hazard.

GEOLOGY AND SITE CONDITIONS

Bedrock is mapped as the Kennel Creek Limestone, a Silurian or Devonian age formation consisting of thinly to very thickly bedded limestone and dolomite. At the project site the rock was observed to be moderately to highly deformed with folds, and several persistent joint sets. Figure 2 illustrates a portion of the outcrop which exhibited folding, and steeply dipping joints.

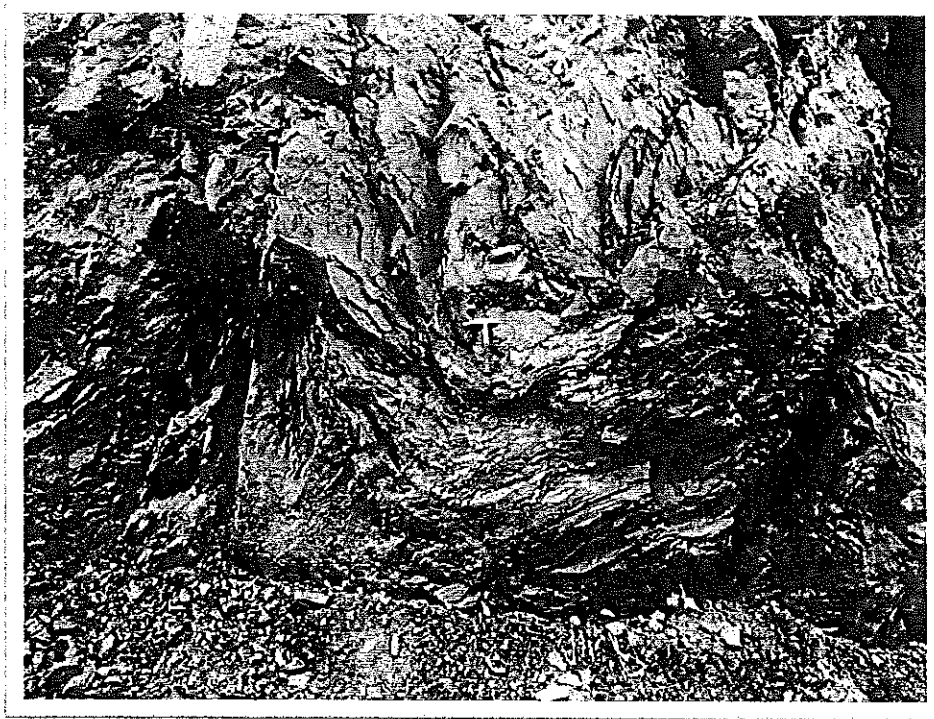


Figure 2: Folds and Joints on the slope face.

The rock structure was dominated by a set of very persistent near vertical joints with a NW-SE strike. This joint set is roughly parallel to the Freshwater Bay Fault which is mapped paralleling the shoreline at the project area. In general, the slope face appeared to be moderately to highly fractured with numerous open cracks. Several moderate to large sized slabs of rock appeared to be on the verge of falling.

RECOMMENDATIONS

The following discussion presents several alternative methods for slope stabilization. The order of presentation is not intended to necessarily indicate a preference on one method over another. Some of these methods would likely be used in combination.

Slope Setback and Flattening

Removing a portion of the slope on the east side of the road would likely be the most effective means of reducing the rockfall hazard on the roadway. It is expected that the slope could be cut as steep as 0.25:1 (horizontal:vertical). The recommended ditch width and depth to provide adequate rockfall catchment will depend on the final slope height. Ditch design guidelines are presented on the attached Drawing 1: Ditch Design for Rockfall Areas.

The benefits of slope setback and flattening are the high likelihood of successful rockfall mitigation, and expected minimal long-term maintenance requirements. The disadvantages are the expected high cost, and the potential for construction problems due to difficult site access and the possibility of adverse rock conditions.

Scaling and Trimming

The rockfall hazard on the roadway could be reduced by regular slope scaling and trimming. Scaling refers to removal of loose rock on the slope face, and trimming generally refers to the removal of overhanging blocks. This work would most likely need to be done by an experienced crew working from ropes or possibly from a man-basket on a crane.

The primary advantage of scaling and trimming is the low cost. However, the degree of rockfall hazard reduction would be significantly less than with other methods. Regular slope inspection and possible additional scaling would need to be performed annually.

Draped Mesh

Draped mesh consists of a curtain of wire mesh draped over the slope. The curtain is only attached at the top, and does not provide slope stabilization; rather it reduces the potential for rocks to bounce off the slope. Rockfall on slopes with draped mesh generally collects at the toe of the slope. Combining draped mesh with a ditch is a very effective means of minimizing the potential of rocks on the road. This method could also be used in combination with slope setback and would allow for a smaller ditch than shown in Drawing 1.

Draped mesh will likely be less expensive than other mitigation methods except scaling. Disadvantages include long-term maintenance, and the potential for damage caused by large rockfall.

Rock Bolting

The use of rock bolts alone are not recommended for this project. The highly fractured rock is not conducive to stabilization by bolting. Rock bolts could be used in conjunction with high strength wire mesh or shotcrete, however these methods have a high installed cost and are only used when other methods such as slope setback are not possible.

Mark Pusich, P.E
November 7, 2014
Page 4

This opportunity to be of service is appreciated. Please feel free to contact me at 907-646-9681 with any questions.

Sincerely,

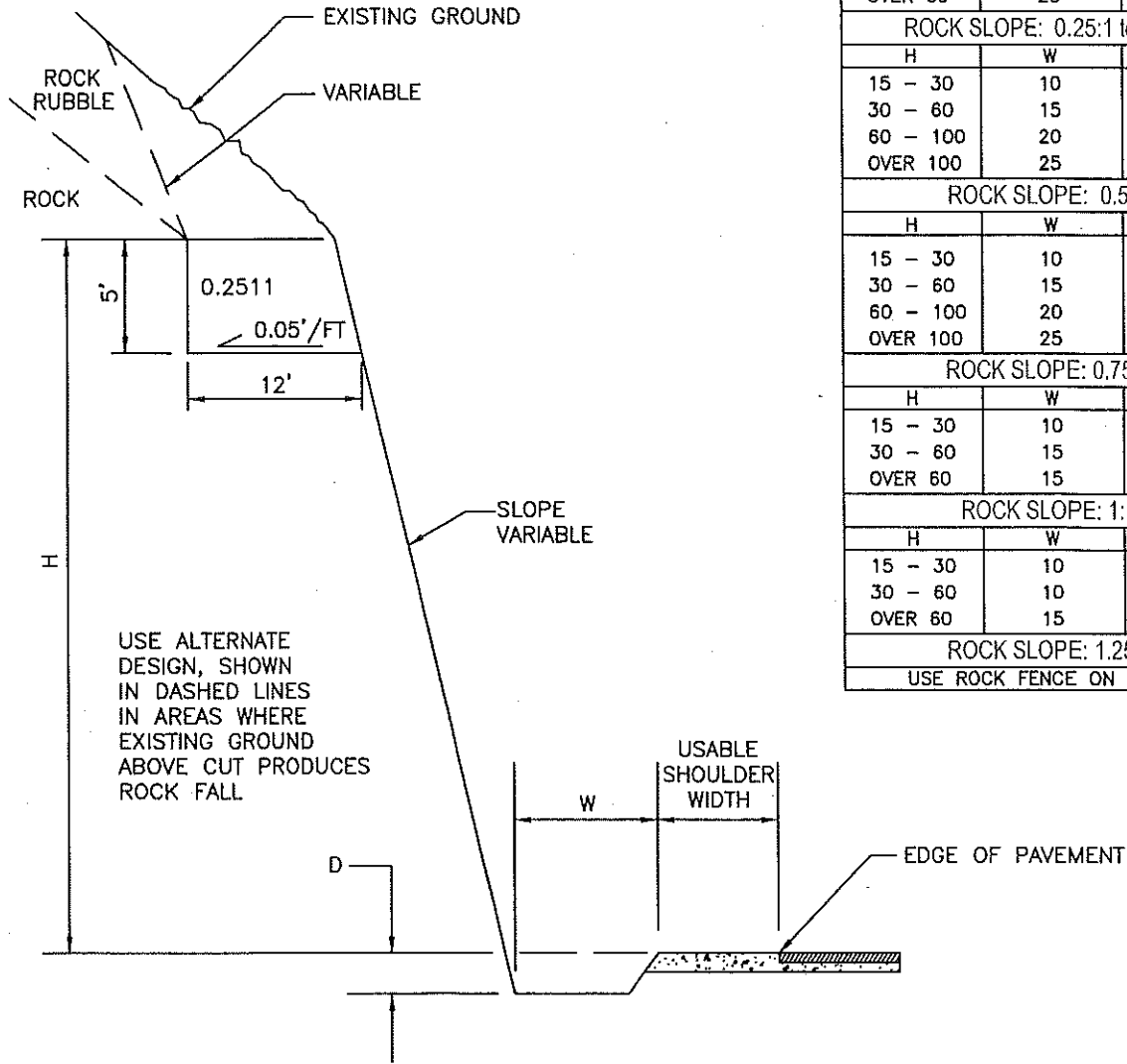
R&M CONSULTANTS, INC.



Robert M. Pintner, P.E.
Senior Geotechnical Engineer

Attachment: Drawing 1: Ditch Design for Rockfall Areas

RELATIONSHIP OF VARIABLES IN DITCH DESIGN FOR ROCKFALL AREAS



ROCK SLOPE: NEAR VERTICAL		
H	W	D
15 - 30	10	3
30 - 60	15	4
OVER 60	20	4
ROCK SLOPE: 0.25:1 to 0.3:1		
H	W	D
15 - 30	10	3
30 - 60	15	4
60 - 100	20	6F
OVER 100	25	6F
ROCK SLOPE: 0.5:1		
H	W	D
15 - 30	10	3
30 - 60	15	4
60 - 100	20	6F
OVER 100	25	8F
ROCK SLOPE: 0.75:1		
H	W	D
15 - 30	10	3
30 - 60	15	4
OVER 60	15	6F
ROCK SLOPE: 1:1		
H	W	D
15 - 30	10	3
30 - 60	10	5F
OVER 60	15	6F
ROCK SLOPE: 1.25:1		
USE ROCK FENCE ON SHOULDER		

WHEN REQUIRED FOR SLOPE STABILITY THE USE OF BENCHES IS SATISFACTORY; HOWEVER, THEY DO NOT ALTER THE DESIGN AND VALUES SHOWN, ORDINARILY THEIR USE WILL BE A RESULT OF THE SOILS STUDY AND BE ON THE RECOMMENDATION OF THE MATERIALS ENGINEER.

WHERE THE EXISTING GROUND ABOVE THE TOP OF CUT IS ON A SLOPE APPROXIMATING THAT OF THE CUT SLOPE, THE HEIGHT (H) SHALL INCLUDE THE EXISTING SLOPE OR THAT PORTION OF IT THAT CAN LOGICALLY BE CONSIDERED A PART OF THE ROCK CUT.

ORDINARILY GUARDRAIL SHALL BE PROVIDED WHERE D IS GREATER THAN 3. F PERMITS DIMINISHING D TO 4 IF FENCE IS ALSO USED.

DRAWING 1: DITCH DESIGN FOR ROCK FALL AREAS

COPY

ALASKA TIMBER INSURANCE EXCHANGE

CERTIFICATE OF INSURANCE

Issue Date
01/04/16

PRODUCER

Alaska Timber Insurance Exchange
2417 Tongass Avenue, Suite 214
Ketchikan, Alaska 99901

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

Channel Construction, Inc.
P O Box 33359
Juneau, AK 99803-3359
Fax #: 907-789-5248

- Company **A** ALASKA TIMBER INSURANCE EXCHANGE
- Company **B**
- Company **C**
- Company **D**
- Company **E**

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTOR'S PROT				GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ PERSONAL & ADV INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (any on person) \$
	AUTOMOMIBLE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THEN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMPRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	2016342	1/1/2016	1/1/2017	X WC STATUTORY LIMITS EL EACH ACCIDENT \$1,000,000 EL DISEASE - EA EMPLOYEE \$1,000,000 EL DISEASE - POLICY LIMIT \$1,000,000
A	OTHER USL&H COVERAGE	2016342	1/1/2016	1/1/2017	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / SEPCIAL ITEMS

COVERAGE APPLIES TO INSUREDS OPERATIONS IN THE STATE OF ALASKA ONLY.
Hoonah Tunnel Improvements

CERTIFICATE HOLDER

Hoonah Indian Association
PO Box 602
Hoonah, AK 99829

CANCELLATION

SHOULD ANY OF THE POLICIES LISTED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL **20** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

ALASKA TIMBER INSURANCE EXCHANGE
BY:

Laurel Bray