

LICENSE AGREEMENT FOR JOINT USE OF WOOD POLES

BETWEEN

BETHEL UTILITIES CORPORATION

AND

THE CITY OF BETHEL

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LICENSE AGREEMENT FOR JOINT USE OF WOOD POLES

PREAMBLE

This Agreement made this 7th day of July 2006, by and between BETHEL UTILITIES CORPORATION, a corporation of the State of Alaska (hereinafter called "BUC"), and the CITY OF BETHEL, a municipal corporation of the State of Alaska (hereinafter called the "City").

WITNESSETH:

WHEREAS, BUC ^(owner) and the City desire to provide for the joint use of poles, NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

A) This Agreement shall be in effect in the common operating areas covered by the parties hereto as the same may now, or from time to time, exist during the life of this Agreement and shall cover all wood poles now existing or hereafter erected or acquired in the above territory when said poles are brought hereunder in accordance with the procedure hereinafter provided.

B) Owner reserves the right to exclude from joint use:

1. Poles which in Owner's judgment are necessary for its own sole use; and
2. Poles which carry, or are intended by Owner to carry, circuits of such a character that in Owner's judgment the proper rendering of its service now or in the future makes joint use of such poles undesirable.

ARTICLE II - EXPLANATION OF TERMS

For the purpose of this Agreement, the following terms shall have the following meanings:

A) JOINT POLE means a utility pole jointly used by both parties to this Agreement.

B) NORMAL JOINT POLE means a 45 foot Class 3 wood pole conforming to the latest pole specifications of the American Standards Association. It is not intended to preclude the use of joint poles shorter or of less strength than the Normal Joint Pole in locations where such poles will meet the requirements of the parties hereto and the specifications referred to in Article III. (See Appendix "C".)

ARTICLE II - EXPLANATION OF TERMS (Cont'd)

C) NORMAL SPACE ALLOCATION on a normal joint pole is the following described basic space for the exclusive use of each party, respectively, with the associated mutual vertical clearance space for maintenance of separations, in accordance with the specifications referred to in Article III. These specifications also provide that certain attachments of one party may be located in and extend vertically through space reserved for the other party. Space allocations specified below are for rental calculations. Actual construction space allocations may vary:

1. For the BUC, the uppermost 6', measured from top of pole.
2. For the City, two feet of space, between the 6' and 8' level as measured down from the top of the pole, provided such space will obtain basic ground clearance as required by the specifications referred to in Article III and permit practical grading of longitudinal and lateral plant.
3. Mutual vertical clearance space on the pole between each company's attachments shall never be less than that which will obtain minimum separations as required by the specifications referred to in Article III.

D) COST as applied to new poles shall mean the cost in place.

E) REMAINING LIFE VALUE as applied to existing poles shall mean the original installed cost less depreciation at the time cost becomes a consideration as in purchase, sales, net loss computations, etc.

F) OWNER shall mean the party having sole ownership and control of a utility pole. *AVEC*

G) LICENSEE shall mean the party using a pole jointly with Owner. *CDB.*

ARTICLE III - SPECIFICATIONS

A) Poles which are subject to this Agreement shall at all times be maintained in conformance with the specifications and requirements of the applicable codes in effect at the time of their installation, and any applicable amendments, specifications or code.

B) When the requirements of public authorities having jurisdiction shall apply, they will govern the use of all joint poles.

ARTICLE IV - ESTABLISHING JOINT USE

A) Whenever Licensee desires to reserve space on any pole of Owner it shall make written application therefore, specifying the location of the poles in question, the amount of space desired on each pole, and the number and character of circuits to be placed thereon. Application shall be made on the form attached hereto and made a part hereof and identified as Appendix "B". Within ten (10) days after the receipt of such application, Owner shall notify the applicant in writing if the application is approved or rejected. Upon receipt of notice from Owner that the application is

*WHO IS THE OWNER/
LICENSEE.*

ARTICLE IV - ESTABLISHING JOINT USE OF POLES (Cont'd)

approved, and after the completion of any transferring or rearranging which is required to permit the attaching of the applicant's circuits on such poles, including any necessary pole replacements, the applicant shall have the right as Licensee hereunder to use said space for attachments and circuits of the character specified in said application and in accordance with the terms of the application and of this Agreement. Any rearranging of Owner's facilities or any joint user's facilities, installed prior to the installation of Licensee's facilities on the poles, which is required to permit the attaching of Licensee's circuits on the poles, will normally be done at the expense of Licensee.

B) Whenever any pole to be used under the provisions of this Agreement is insufficient in height or strength for the existing attachments and for the proposed immediate additional attachments thereon, Owner shall, within thirty (30) days after approval, replace such pole with a new pole of the necessary height and strength and shall make such other changes in the existing pole line in which such pole is included as the conditions may then require. The cost of making any necessary pole replacements shall be borne by the parties in accordance with the provisions of Article IX - Division of Costs.

C) On jointly used poles each party shall place, maintain, transfer, rearrange and remove its own attachments, ~~and perform any tree trimming or cutting incidental thereto.~~ Each party shall perform such work promptly and in such manner as not to interfere with the service of the other party. Owner shall place and maintain anchors and down guys as necessary.

ARTICLE V - JOINT USE ANCHORS

A) Anchors required for joint use and placed at the time new poles are set, are to be placed by Owner and the anchors are to be of size adequate to accommodate the requirements of both parties; however, additional anchoring cost resulting from accommodating the needs of the other party shall be paid by such other party. ~~(Each party shall place its own attachments on the new poles.)~~

B) When in the opinion of both parties, existing anchors are adequate in size and strength to support the equipment of both parties, the contacting party may attach its guys thereto at no additional cost. When the anchors are not of adequate size and strength, the party requiring additional anchors shall cause, at its own expense, the replacement of existing anchors with anchors adequate in size and strength for the use of both parties, and the ownership of anchors so replaced shall vest immediately to Owner of the pole.

ARTICLE VI - RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS

A) While Owner and Licensee will cooperate as far as may be practicable in obtaining rights-of-way for both parties on joint poles, Owner does not warrant or assure to Licensee, any right-of-way privileges or easements on, over, or across streets, alleys, and public thoroughfares, and private or publicly owned property, and if Licensee shall at any time be prevented from placing or maintaining its attachments on Owner's poles because of lack of such rights, no liability on

Owner shall be responsible for all

as provided in an application for service

What is this? the anchors or is it the box

ARTICLE VI - RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS (Cont'd)

account thereof shall attach to Owner. ~~Each party shall be responsible for obtaining its own easements and rights-of-way, however, where joint use on new construction has been granted to Licensee, Owner shall make every effort to have Licensee named on easements it acquires.~~

Do we have easements and rofw for the poles

How can we do this? B) Licenses granted hereunder shall be "Conditioned upon continued compliance with all right-of-way and easement requirements. If at any time objection is made thereto and Licensee is unable to satisfactorily adjust the matter within a reasonable time, Owner may, upon written notice to Licensee, require Licensee to remove its attachments from the poles involved, and Licensee shall, within ninety (90) days after receipt of said notice, remove its attachments from such poles at its sole expense.

C) Licenses granted hereunder shall be "Conditioned upon continued compliance with all right-of-way and easement requirements. If at any time objection is made thereto and Licensee is unable to satisfactorily adjust the matter within a reasonable time, Owner may, upon written notice to Licensee, require Licensee to remove its attachments from the poles involved, and Licensee shall, within ninety (90) days after receipt of said notice, remove its attachments from such poles at its sole expense.

ARTICLE VII - MAINTENANCE OF POLES AND ATTACHMENTS

A) Owner shall maintain its jointly used poles in a safe and serviceable condition and in accordance with the specifications referred to in Article III, and shall replace, reinforce or repair such of said poles as necessary for continued compliance with those specifications.

B) When replacing a jointly used pole carrying terminals, splice points, aerial to underground connections (including risers), or transformer equipment, the new pole shall be set in the same hole which the replaced pole occupied, unless special conditions make it necessary or mutually desirable to set it in a different location. Whenever it is necessary to replace any pole in the existing hole and the conditions stated above apply, the party making the replacement shall notify the other party and request a joint meeting of the parties appropriate operating and/or engineering personnel in order to coordinate the replacement. When Owner desires to replace a jointly used pole to a location not in the same hole or adjacent to the previous hole, and when, after good-faith negotiation the parties cannot agree on the new location, Owner may abandon the contested pole in place to the other party or reimburse the other party its excess costs to modify its facilities to attach to the replacement pole; except no reimbursement is required where Owner replaced the pole pursuant to a requirement of the requisite local governing body, easement requirement or anything beyond control of Owner.

C) Whenever it is necessary to replace, move, reset or relocate a jointly used pole, Owner shall, before making the change, give written notice thereof (except in case of emergency, when oral notice may be given and subsequently confirmed in writing) to Licensee, specifying in such notice the work to be performed and the time of such proposed replacement or relocation. Licensee shall arrange to transfer its attachments promptly to the new pole. In the event such transfer is not completed within sixty (60) days after the time specified in the notice given by Owner, and Owner shall have removed all of its attachments thereon, Licensee shall assume

ARTICLE VII - MAINTENANCE OF POLES AND ATTACHMENTS (Cont'd)

ownership of the original pole for all purposes at the conclusion of such sixty (60) day period, and shall indemnify and hold harmless the former owner of such pole from all obligations, liabilities, damages, costs, expenses, or charges incurred in connection with such pole thereafter. Licensee shall pay to the former owner the Remaining Life Value of the pole, if any.

D) When Owner replaces an existing joint use pole, it may choose to, as an accommodation to and upon the request and consent of Licensee, transfer Licensee's equipment from the replaced pole to the replacement pole. The physical transfer shall be made at the sole risk and expense of Licensee and it shall indemnify and save harmless Owner from and against any and all expenses, losses, claims, suits, or other costs relating to such transfer. Licensee shall pay Owner for such transfer in accordance with Owner's rates and charges in effect on the date of such transfer, as such rates and charges may be amended from time to time.

E) Each party shall maintain all of its attachments, ~~and perform any necessary tree trimming~~ or cutting incidental thereto, on jointly used poles in accordance with the specifications referred to in Article III and shall keep them in safe condition and in thorough repair.

ARTICLE VIII - DIVISION OF COSTS

A) The cost in place of new jointly used poles under this Agreement, either in new pole lines, or in extensions of existing pole lines, or to replace existing poles, shall be borne by the parties as follows:

1. The Cost in place of a Normal Joint Pole or a joint pole smaller than the Normal Joint Pole shall be borne by Owner.
2. The Cost in place of a joint pole taller or stronger than the Normal Joint Pole, the extra height or strength of which is due wholly to Owner's requirements (including requirements as to keeping Owners' wires clear of trees) shall be borne by Owner.
3. The Cost in place of a joint pole taller or stronger than the Normal Joint Pole, the extra height or strength of which is due wholly to Licensee's requirements, (including requirements as to keeping Licensee's wires clear of trees) Licensee shall pay to Owner a sum equal to the difference between the Cost in place of such pole and the Cost in place of a Normal Joint Pole, the balance of the cost of erecting such pole to be borne by Owner.
4. The Cost in place of a joint pole taller or stronger than the Normal Joint Pole, the extra height or strength of which is due to the requirements of both parties or to the requirements of public authorities or of property owners (other than requirements with regard to keeping the wires of either party clear of trees), Licensee shall pay to Owner a sum equal to one-half (1/2) the difference between the Cost in place of such pole and the Cost in place of a Normal Joint Pole, the balance of the cost of erecting such pole to be borne by Owner. In the event that there are third party attachments, the cost of the extra height/strength shall be borne by all parties proportionately.
5. Where an intersect or midspan pole is erected solely to provide for the attachments of

ARTICLE VIII - DIVISION OF COSTS (Cont'd)

the Licensee, Owner shall install the new pole and Licensee shall pay to Owner the installed cost of erecting said pole, plus the cost of necessary modifications to adjacent structures, plus the labor cost of attaching Owner's facilities to said pole, less the cost of materials (including pole).

B) Any payments made by Licensee under the foregoing provisions of this Article shall not in any way affect the ownership of the joint poles concerned.

C) Each party shall place, maintain, rearrange, transfer and remove its own attachments at its own expense, except as otherwise expressly provided elsewhere in this Agreement.

D) The expense of maintaining joint poles shall be borne by Owner, except as otherwise expressly provided elsewhere in this Agreement.

ARTICLE IX - PROCEDURE WHEN CHARACTER OF CIRCUITS IS CHANGED

A) If BUC desires to change the character of its circuits on jointly used poles to 33KV or more, it shall give the City ninety (90) days written notice of such contemplated change. The parties shall then cooperate in determining, (1) the conditions under which joint use may be continued on a mutually satisfactory basis, or (2) the most practical and economical method of providing for separate lines.

B) In the latter event, the party whose circuits are to be removed from the jointly used poles shall promptly carry out the necessary work.

C) Unless otherwise agreed, the cost incident to the change shall be borne by the party originating the condition necessitating the change. This cost shall be based on reestablishing such circuits in the new location as are necessary to furnish the same business facilities that existed in the joint use section at the time such change was decided upon. Unless otherwise agreed, ownership of any new lines or facilities constructed under the foregoing provisions shall vest in the party for whose use it is constructed.

ARTICLE X - TERMINATION OF JOINT USE

A) If Owner desires at any time to abandon any jointly used pole, it shall give Licensee written notice to that effect at least sixty (60) days prior to the date on which it intends to abandon such pole. If at the expiration of said period, Owner shall have no attachments on such pole but Licensee shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of Licensee, and Licensee shall hold harmless and indemnify the former owner of such pole from all obligations, liabilities, damages, costs, expenses, or charges incurred thereafter, and not arising out of anything theretofore occurring, because of, or arising out of, the presence or condition of such pole or of any attachments thereon. Licensee shall buy the pole at

ARTICLE X - TERMINATION OF JOINT USE (Cont'd)

the Remaining Life Value of the pole in place upon receipt of an invoice and bill of sale therefore.

B) Licensee may at any time abandon the use of a jointly used pole by giving due notice thereof in writing to Owner and by removing therefrom any and all attachments it may have thereon. Such notice shall constitute a termination of Licensee's existing permit for use of such pole.

ARTICLE XI - HAZARDOUS/TOXIC WASTE

The Parties acknowledge that during the period covered by this Agreement, an agency of the federal, state or local government may classify chemicals used as preservative or other treatment of wood poles subject to this Agreement as hazardous or toxic waste requiring special disposal procedures. The Party which is the owner of a given pole at time of disposal shall bear the full cost of any special disposal procedures, except that where a Party takes ownership pursuant to abandonment by the other Party, the new owner shall bear such costs only if it has given notice in writing to the abandoning Party that it intends to maintain said pole or if it maintained attachments on the pole for a period exceeding sixty (60) days from the date on which it acquired title by abandonment under this Agreement.

ARTICLE XII - RENTALS

A) On or about January 1st of each calendar year, the parties acting in cooperation shall compile an updated tabulation of the number of poles in joint use.

B) The pole tabulation shall be accomplished by updating each party's records with the joint facilities notification forms received from the other party and the results of any special field audits that may be conducted prior to the end of the previous year.

C) By March 1 of each year, Owner shall invoice Licensee for the rental amount owing for the previous calendar year as calculated using the rate provided on Appendix "A" and most recent pole tabulations. Such invoice shall specify the rental period covered. The rentals as herein provided for shall be paid within thirty (30) days after the bill has been submitted. ➡

D) Pole rental rates may be revised annually at the discretion of Owner in accordance with the procedures outlined in Appendix "A". The new rental rate, so determined, shall apply starting with the annual bill next rendered until again readjusted. The initial computation will be based on actual financial results for the year ended 12-31-04, which shall apply to the billing rendered in 2006 ~~for joint pole use during 2005.~~ *DWB* ➡

E) Licensee shall have the right to inspect, upon reasonable prior notice, the books and records of Owner that pertain to the number of pole attachments and the calculation of the attachment rate.

ARTICLE XIII - DEFAULTS

A) If Licensee shall default in any of its obligations under this Agreement and such default continues thirty (30) days after notice thereof in writing by Owner, Owner may suspend the rights of Licensee as far as concerns the further granting of joint use. If such default shall continue for a period of sixty (60) days after such suspension; Owner may terminate this Agreement. Such suspension or termination shall in no way relieve Licensee of its obligation, regarding payment and other matters, which were incurred during the period this contract was in force.

B) The right of termination of further joint use shall be in addition to, and not in lieu of, any other rights and remedies otherwise available to Owner.

C) Should Owner default in any of its obligations under this Agreement and such default continues sixty (60) days after notice in writing thereof by Licensee, Licensee may terminate this agreement.

D) The right of termination shall be in addition to, and not in lieu of, any other rights and remedies otherwise available to Licensee.

E) If either party shall make default in the performance of any work which it is obligated to do under this Agreement at its sole expense, the other party may elect to do such work, and the party in default shall reimburse the other party for the cost thereof. Failure on the part of the defaulting party to make such payment within sixty (60) days after presentation of bills therefore, shall, at the election of the other party, constitute a default under Section (A) of this Article.

ARTICLE XIV - LIABILITY AND DAMAGES

Each party shall indemnify and hold harmless the other party and its respective officers, agents and employees from and against all claims, damages, losses, liabilities, and costs arising from its negligent acts or omissions.

ARTICLE XV - ATTACHMENTS OF OTHER PARTIES

A) Owner may allow other parties to attach to and maintain facilities on the poles it owns. Owner shall be responsible for the administration of all attachments supported by such pole and shall collect all rental payments for the use of such pole space. Where Licensee crossarms are used on poles of Owner, no other party attachments shall be allowed on the crossarms without the written permission in the form of Appendix "B" from Licensee.

B) Rearrangements of the facilities owned by either party to this Agreement to accommodate the attachments of another party shall be accomplished at the expense of the other party requesting an attachment.

*Who
Authentic*

ARTICLE XVI - ASSIGNMENT OF RIGHTS

Except as otherwise provided in this Agreement, neither party hereto shall assign or otherwise transfer this Agreement or any of its rights or interest hereunder, or in any of the jointly used poles, or the attachments or rights-of-way covered by this Agreement, to any firm, corporation or individual, without the written consent of the other party, provided, however, that nothing herein contained shall prevent or limit the right of either party to mortgage any or all of its property, rights, privileges, and franchises, or to enter into any merger or consolidation; and, in case of the foreclosure of such mortgage, or in case of such merger or consolidation, its rights and obligation hereunder shall pass to, and be acquired and assumed by, purchaser or agent of foreclosure, or a company resulting from a merger or consolidation as the case may be.

ARTICLE XVII - PAYMENT OF TAXES

Each party shall pay promptly all taxes and assessments lawfully levied on its own property attached to jointly used poles, and the taxes and the assessments which are levied on jointly used poles shall be paid by the owner thereof, except that any tax, fee, or charge levied on Owner's poles solely because of their use by Licensee shall be paid by Licensee.

ARTICLE XVIII - WAIVER OF TERMS OR CONDITIONS

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

ARTICLE XIX - BILLS AND PAYMENT FOR WORK

Upon completion of work performed hereunder by either party, the expense of which is to be borne wholly or in part by the other party, the party performing the work shall present to the other party within sixty (60) days after the completion of such work an itemized statement of the costs and such other party shall within sixty (60) days after such statement is presented pay to the party doing the work such other party's proportion of the cost of said work.

ARTICLE XX - ATTORNEY'S FEES

In the event suit or action be instituted by either party to enforce any of the provisions of this Agreement the prevailing party in such suit or action shall be entitled to, in addition to any other relief awarded in such suit or action, or appeal thereof, all reasonable actual attorney fees as incurred relative thereto.

ARTICLE XXI - SERVICE OF NOTICES

A) Any notice herein provided to be given by either party to the other for pole contacts, daily operations and annual billings shall be in writing and given by letter or by completed form, acceptable to both parties, mailed, by electronic methods or by personal delivery to the appropriate party's local district office, or to such other office as the party may designate in writing for that purpose.

B) Any notice for agreement administration shall be in writing and given by personal delivery, by electronic methods or by United States mail, postage prepaid, addressed as follows:

To BUC: Bethel Utilities Corporation
3380 C Street, Suite 210
Anchorage, Alaska 99503

To City of Bethel: City of Bethel
P.O. Box 388
Bethel, Alaska 99559

ARTICLE XXII - TERMS OF AGREEMENT

Subject to the provisions of Article XIII - Defaults, this Agreement shall remain in full force and effect until terminated, including as pertains to the further granting of joint use, upon the giving of written notice by either party to the other party not less than three (3) years prior to the date of termination. Provided further that notwithstanding such termination, this Agreement shall remain in full force and effect with respect to all poles jointly used by the parties at the time of such termination.

ARTICLE XXIII - EXISTING AGREEMENTS

A) This Agreement supersedes all prior agreements between the parties or their predecessors and any amendments and supplements thereto for the joint use of poles within territory covered by this Agreement. All existing contacts made by or reserved on behalf of either party which are now covered by approved permits or by applications in progress for permits, shall continue in effect under the terms and conditions of this Agreement. Nothing herein contained shall relieve either party from obligations and liabilities that arose or were incurred under such agreements made prior to the date hereof.

B) Nothing in the foregoing shall preclude the parties to this Agreement from preparing such supplemental operating routines or working practices as they may mutually agree in writing to be necessary or desirable to effectively administer the provisions of this Agreement.

ARTICLE XXIV - DISPUTE RESOLUTION

Appropriate representatives of the parties shall meet promptly upon request and attempt in good faith to resolve disputes which arise concerning this Agreement. If the parties are unable to reach a resolution themselves, a party may, by written notice, request the other party to agree to an alternative dispute resolution procedure (e.g. non-binding mediation, binding arbitration) for the dispute, and the other party shall respond to the request in writing within ten (10) working days.

ARTICLE XXV - APPROVALS

The parties hereto agree that the effective date of this Agreement shall be 7/1/06, 2006.

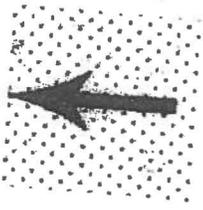
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in duplicate, and their corporate seals to be affixed thereto by their respective representatives thereunto duly authorized, as of the day and year above written.

BETHEL UTILITIES CORPORATION

By: [Signature]
Its: President

CITY OF BETHEL

By: [Signature]
Its: City Manager



APPENDIX A

COMPUTATION OF RATE PER ATTACHMENT ON POLES OWNED BY BETHEL UTILITIES CORPORATION for the contract year _____

NET INVESTMENT - BARE POLE

1. Investment in poles, towers, and fixtures in Alaska	_____	
2. Less depreciation reserves	< _____ >	
3. Net book value of poles and fixtures	_____	
4. Ratio of bare poles to total pole	85%	
5. Net book value of poles	_____	
6. Total number of poles	_____	
7. Average net book value per pole (PV) (Net book value of poles) / (Total Number of Poles)		<u> </u> (PV)

ANNUAL CARRYING CHARGE

1. Administrative Expense ratio (Annual Administrative & General Expense) / (Net Book Value of Utility Plant In Service)	_____	
2. Maintenance Ratio (Annual Distribution System Maintenance Expense) / (Net Book Value of Distribution System)	_____	
3. Depreciation Ratio (Original Cost of Poles) / (Net Book Value of Poles) X Depreciation Rate	_____	
4. Return Ratio + (Equity Capital) / (Total Capital) X Rate of Return / (1 - Effective Income Tax Rate) +(Debt Capital, SBA) / (Total Capital) X Interest Rate +(Debt Capital, FNBA) / (Total Capital) X Interest Rate	_____	
5. Total Carrying Charge Ratio(CC)		<u> </u> (CC)

APPENDIX A (Cont.)

USE RATIO PER POLE

1. Usable Space		
Height of Average Pole	45.0 Ft.	
Total Non-Usable Space	<u>31.0 Ft.</u>	
Total Usable Space	14.0 Ft.	
2. Average Space Occupied by Licensee (PR)	_____	<u>(PR)</u>

ATTACHMENT RATE TO LICENSEE

(PV) X (CC) X (PR) = Rate Per Joint Use Pole _____

Rate Per Pole x Total Joint Use Poles* _____
Subject To This Agree = ANNUAL POLE RENTAL _____

NOTE: All financial data is current to December 31, _____

CITY OF BETHEL _____ BETHEL UTILITIES CORPORATION

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

* To be computed annually after determination of the number of poles in joint use at the end of each calendar year.

APPENDIX B

FROM: _____

JOINT FACILITIES NOTIFICATION

TO: _____

Notice of Preliminary Engineering _____ Date: _____

Notice of Completed Construction _____ Date: _____

_____ is in the process of placing, removing and / or relocating certain poles within our system on which you may have existing pole contacts or may desire new pole contacts. Please note the locations as listed below.

POLE NUMBERS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

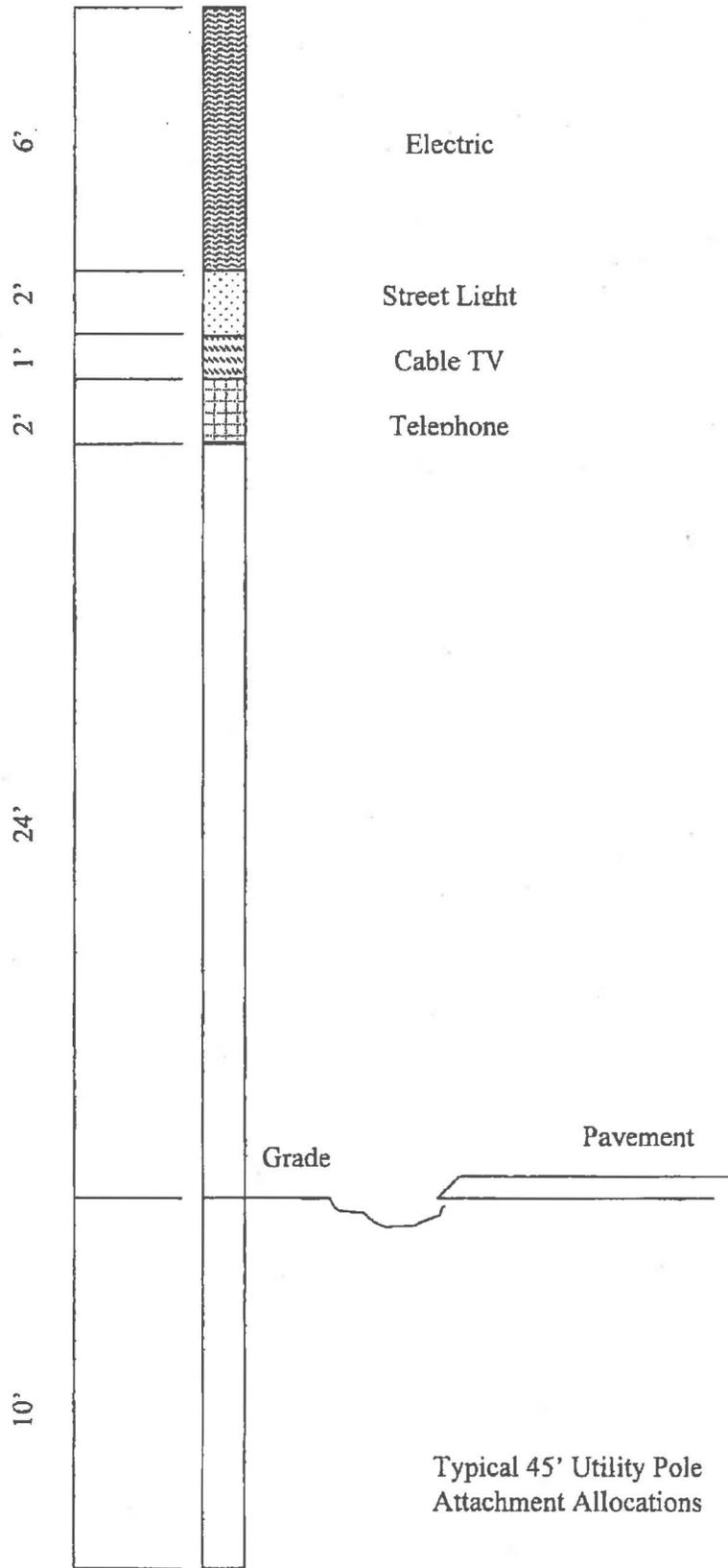
Remarks: (New contact requests to include amount of space required and the character of circuits.)

Company Representative

- Contacts Desired as Noted Above
- No Joint Use Anticipated
- Contacts Eliminated as Noted Above
- Transfer and Remove _____ Old Poles

Sketch:

APPENDIX C



Typical 45' Utility Pole Attachment Allocations

APPENDIX A

**CITY OF BETHEL
COMPUTATION OF RATE PER ATTACHMENT ON POLES OWNED
BY BETHEL UTILITIES CORPORATION
RATES FOR 2005**

NET INVESTMENT PER BARE POLE

1.	Investment in poles, towers and fixtures in Alaska.	<u>\$933,257</u>	
2.	Less depreciation reserves.	<u>495,828</u>	
3.	Net book value of poles and fixtures.	<u>437,429</u>	
4.	Ratio of bare pole to total pole.	<u>85%</u>	
5.	Net book value of poles.	<u>371,815</u>	
6.	Total number of poles.	<u>2,008</u>	
7.	Average net book value per pole. (Net book value of poles) / (Total number of poles)		<u>185.17</u> (PV)

ANNUAL CARRYING CHARGE

1.	Administrative expense ratio. (Annual administrative and general expense) / (Net book value of utility plant in service)	<u>0.578</u>	
2.	Maintenance ratio (Annual distribution system maintenance expense) / (Net book value of distribution system)	<u>0.166</u>	
3.	Depreciation ratio. (Original cost of poles) / (Net book value of poles) X (Depreciation rate)	<u>0.085</u>	
4.	Return ratio. (Equity capital) / (Total capital) X (Rate of return) / (1-Effective income tax rate) + (Debt capital,) / (Total capital) X (Interest rate) + (Debt capital,) / (Total capital) X (Interest rate)	<u>0.181</u>	
5.	Total carrying charge ratio.		<u>1.010</u> (CC)

USE RATION PER POLE

1.	Usable space Height of average pole	45.0 Ft	
	Total non-usable space	<u>31.0 Ft</u>	
	Total usable space	14.0 Ft	
2.	Average space occupied by United Utilities, Inc.	2.0 Ft	<u>14.29%</u> (PR)

ATTACHMENT RATE FOR CITY OF BETHEL
(PV) X (CC) X (PR) = RATE PER POLE
RATE PER POLE= ANNUAL FEE

\$26.72

**MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF BETHEL AND BETHEL UTILITIES CORPORATION
February 28, 1997**

The City of Bethel ("City") owns, maintains and operates city street lights located on poles owned and maintained by Bethel Utilities Corporation ("BUC"). Pursuant to the terms of this Memorandum of Agreement ("Agreement"), the City and BUC agree as follows:

AVEC

1. The City shall:

- a. Continue to own and operate the city street lights.
- b. Retain all and full responsibility for such ownership and operation including all costs of installation, replacement, maintenance and repairs, electricity, and liability arising from such ownership and operation.
- c. Hold BUC harmless from any liability resulting from BUC's performance, or lack thereof, under this Agreement and shall defend BUC from and indemnify BUC for any action brought against it with respect thereto.
- d. Take and field all public questions and/or complaints with respect to street lighting and shall not direct such to BUC.
- e. Direct BUC, in writing, with respect to specific requests for street light maintenance that are in addition to those items discovered in the bi-monthly inspections as well as requests for street light installations, relocations or removals..
- f. Pay BUC for all street light related invoicing within 30 days of receipt.

Redate AVEC for BUC

2. BUC shall:

- a. Inventory a sufficient quantity of street light components to be able to perform street light maintenance on an as-needed basis on behalf of the City.
- b. Invoice the City for all street light components at the time they are entered in BUC's inventory.
- c. Conduct bi-monthly street light inspections to determine the operational status of all city street lights and shall promptly provide the City with the results of each such inspection.
- d. Repair any improperly or non-functioning street lights discovered in the bi-monthly inspections on a time-available basis as soon as possible following completion of each such inspection.
- e. Invoice the City for all labor, equipment, and non-inventoried materials expended with respect to street light maintenance, including inspections, on a monthly basis.
- f. Charge the City for its services at its standard rates for labor and equipment, and actual delivered cost of inventoried components and materials and supplies. All such charges are subject to a 10% overhead markup.

CITY OF BETHEL

By: Kenneth L Weaver
Its: City Manager

BETHEL UTILITIES CORPORATION

By: [Signature]
Its: Vice-President