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July 21, 2010

To: Bruno Sinigaglio
Deborah Diehl
James Slicker

From: Tim Wallis Sr. Vice President 
Doyon Utilities

Subject: Organizational Conflict of Interest

On July 6, 2010 Mark Rockwell, Engineer/Project Manager for Doyon Utilities, came to my office and informed that he may have a potential conflict of interest.

When asked to explain, he said that Rockwell Engineering & Construction Services (which he owns a 70% interest) received a contract from TAR/TCI (Tunista) to provide on-site soil screening for soil contamination. Tunista is the prime contractor for the 336A Aircraft Parts Storage at Ft. Wainwright.

Since Tunista was the prime contractor Wily Splain, Engineer/Project manager for Doyon Utilities, ask Tunista to give him a bid to install the utilities for DU. Tunista was awarded the contract for the installation of the utilities. Mr. Splain who just recently came to work for DU did not know that Tunista had a contract with Rockwell Engineering & Construction. The installation of the utilities will include trenching and on-site soil screening. Tunista extended Rockwell's contract to include the utility portion.

Mark Rockwell has had no involvement on this project, in either the planning engineering or providing any input. Wily is the Project Manager for this project. I have concluded that no organizational conflict exist between Mark Rockwell and this project.

Should you need further information please contact me at 455-1552 or email me at twallis@doyonutilities.com.

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Date: July 6, 2010
To: Tim Wallis, V.P.
From: Mark Rockwell, Utility Engineer *MR*
Subject: Organizational Conflict of Interest Notification

This memo is intended to report to Doyon Utilities management a potential conflict of interest.

Rockwell Engineering & Construction Services, Inc. has a contract to prepare certain plan documents and perform on-site soil screening for petroleum contamination for TAR/TCI (Tunista), a general contractor working for the Government at Fort Wainwright. The project is known as 336A Aircraft Parts Storage. This contract was established on March 24, 2010. The work is being managed by Mr. Shann Jones of Rockwell E&C.

Recently, I became aware that Doyon Utilities has contracted Tunista to install utilities at the Project 336A. The work will involve trenching in potentially contaminated soil. Therefore, Tunista has contacted Rockwell E&C to perform the soil screening for the utility trenching because they are already working at the site. The value of this additional work would be between \$5,000 and \$10,000.

I do not believe this poses a conflict of interest for the following reasons:

- It has been fully disclosed to DU management and to the DU project manager.
- Rockwell E&C is already previously engaged to perform similar work on that site.
- The Government has already approved and accepted Rockwell E&C plans and work at this site.
- Neither I nor Rockwell E&C has been exposed to any sensitive information related to the project. I did not assist in the preparation of the engineer's estimate. I did not provide any budget information to either TAR/TCI or Rockwell E&C.
- As this utility project is currently managed by Wily Splain, DU project manager, I have no direct oversight or involvement of the DU work. The project was previously under the management of Norman Sather, DU project manager.

DOYON UTILITIES LLC OCI MITIGATION PLAN

Doyon Utilities, LLC ("Doyon Utilities") is the contractor for the utility privatization contracts with the Department of Defense on three military installations in Alaska: Fort Greeley, Fort Richardson and Fort Wainwright. This OCI (Organizational Conflict of Interest) Mitigation Plan is intended to avoid any potential organizational conflicts of interest between Doyon Utilities and Doyon Utilities subcontractor with respect to non-Doyon Utilities work.

Doyon Utilities management personnel are committed to the following action plan:

Segregation of Personnel and Tasks

Doyon Utilities will maintain separation of management personnel from its subcontractors that engage in military construction projects on Fort Greeley, Fort Richardson and Fort Wainwright, or any other project that presents a Organizational Conflict of Interest to ensure that proprietary or source selection information that may be divulged to Doyon Utilities by the government will not be transferred from Doyon Utilities, LLC to any subcontractor.

Identification of OCIs

- The Project Manager will identify the presence of any potential or actual OCIs because of any interaction, interface or communications between Doyon Utilities personnel and any subcontractor that engages in military construction projects on Fort Greeley, Fort Richardson and Fort Wainwright, or any other project that presents a potential or actual OCI.

Reporting

- All Doyon Utilities, LLC employees and subcontractors shall report to management any contacts with personnel from contractors or subcontractors performing work for military construction projects on Fort Greeley, Fort Richardson and Fort Wainwright to assess whether such contact creates an actual or potential OCI.
- Doyon Utilities, LLC and/or a subcontractor to Doyon Utilities, LLC who discovers an actual or potential OCI because of contacts with personnel shall make immediate and full

disclosure of the actual or potential OCI in writing to Doyon Utilities, LLC management, who, in turn, will assess the information and report the information to the Government in those situations where an actual or potential OCI exists, in an OCI Notice, which shall include:

- A description of the contact and matters discussed; and
 - A description of the action that the Doyon Utilities, LLC or the subcontractor has taken or proposes to take to avoid, mitigate, or neutralize the conflict and the impact the OCI would have on the contract; and
 - Any other relevant information that would assist the Government in making a determination as to whether an OCI exists.
- Doyon Utilities, LLC management, upon receiving an OCI Notice from an employee or subcontractor, will verify that it is complete and forward it to the Government.
 - If the OCI Notice is incomplete Doyon Utilities, LLC management shall request additional information as necessary; and
 - When the OCI Notice is complete the Doyon Utilities, LLC management shall work with the Government and subcontractor, if applicable, to resolve the OCI issue.
- Management Members of the Doyon Utilities, LLC shall comply with all contractual or regulatory reporting requirements regarding any actual or potential OCIs identified.

Non-Disclosure Agreements

- Obtain Non-Disclosure Agreements from subcontractor's personnel to ensure that proprietary or source selection information that was shared with them by the Government is not disclosed;
- Establish entrance and exit procedures to reinforce individual employee responsibilities regarding non-disclosure when hired and following termination of employment.

OCI Training

- Mandate attendance of employees at OCI training;
 - Ensure that employees are aware of the importance of not transferring proprietary and source selection information.
- Employees will be required to verify completion of this training and that they have read and understand Doyon Utilities, LLC OCI policy; and

- Supplement training with briefings, wall posters, corporate newspaper articles, etc., as appropriate to keep awareness high and make compliance information visible.

Government Oversight

- Welcome government oversight of activities whenever possible and promote outreach to government officials.

Physical and Geographical Segregation of Doyon Utilities, LLC

- Maintain separate office space and equipment;
 - Doyon Utilities, LLC employees shall not have access to the offices of contractors or subcontractors performing non-Doyon Utilities work for military construction projects on Fort Greeley, Fort Richardson and Fort Wainwright; and
 - Contractors or subcontractors performing work for military construction projects on Fort Greeley, Fort Richardson and Fort Wainwright shall not have access to the Doyon Utilities, LLC office;

Record Keeping

- Ensure that notices of potential OCIs are maintained; and

Subcontracting Prohibitions and Limitations

- Flow down to subcontractors and their teammates, as appropriate, the necessary OCI policies and mitigation procedures.

Periodical Mitigation Plan Evaluation

- The Management Committee of Doyon Utilities, LLC shall periodically evaluate the effectiveness of this plan.