WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Request for Qualifications & Quotations #10-306
WILDFIRE FUELS REDUCTION- Glenwood Hwy Phase 2

Funds for this project are through the American Recovery and Reinvestment Act, made available from the USDA Forest Service.

PERIOD OF PERFORMANCE
May 31, 2010- November 30, 2010

PROJECT NAME
Glenwood Hwy Phase 2

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BIDDER ELIGIBILITY
This procurement is open to those Contractors who satisfy the minimum qualifications stated herein and that are available for work in Washington State.

RFQQ CONTACT
Matt Eberlein
Washington State Department of Natural Resources

713 Bowers Road,
Ellensburg WA 98926

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PROPOSAL DUE DATE & TIME
May 7, 2010
4:00 pm (PST)

1. INTRODUCTION

1.1 Purpose and Background

The Washington State Department of Natural Resources, hereafter referred to as "DNR" is initiating this Request for Qualifications and Quotations (RFQQ) to solicit proposals from eligible firms interested in doing fuels modification work.

This work was identified within the local area Community Wildfire Protection Plan. The purpose and intent behind this work is to reduce the likelihood of catastrophic wildfire where fuels reduction work will be applied.

1.2 Scope of Activity

The apparent successful contractor will be expected to provide labor, transportation, materials, and equipment for fuels reduction projects. Work will consist of fuel modification, vegetative clearing, tree thinning and pruning, chipping, and debris disposal by hand and/or mechanized crews. Hand crews will consist of a foreman, three or more laborers, a chipper, transportation and all equipment and supplies to perform the tasks. Mechanical crews will consist of mastication or mulching machines with operator, transportation and all equipment and supplies to perform the tasks. The project is located in Klickitat County on Hancock Forest Management Inc. land, and is approximately 120 acres. A map outlining the project boundaries and unit designations is attached as Exhibit B, attached hereto and incorporated herein.

The successful proposer will be expected to secure an access permit from the landowner. A sample access permit is attached as Exhibit D, attached hereto and incorporated herein by this reference.

General prescription/specifications

The following prescription will be followed on the north side of the Glenwood Hwy from the prominent brush edge of the road to a distance no greater than 100 feet, flagged in red. Distance will vary due to limiting terrain:

1. Dead and down material up to 10 inches in diameter will be chipped and the chips scattered over the work site.

2. The limbs of dead and down trees greater than 10 inches in diameter will be removed and chipped and the remaining trunk will be left in place unless several trees have created a piled concentration. In this case, the remaining tree trunks will be separated by at least 10 feet from any other logs and left on site.

3. All vegetation stumps heights will be cut no higher than 2 inches above the ground. All cuts will be a flat or parallel cut to the ground.

4. Standing dead trees with red needles still attached shall be felled and treated using the dead and down prescription as required in item 1 and 2 above.

5. Conifer snags will be felled if within 50 feet of another snag and will be treated using the dead and down prescription as required in item 1 and 2 above. Snags that pose a hazard to crews working in the area will be felled.

6. The Contractor will not cut any green trees from the premises that are greater than 8-inch diameter at breast height without prior approval from the Landowner.

7. Trees 8 inches and greater in diameter (DBH) will be pruned (live and dead limbs) up to a height of 15 feet. Limbs will be pruned when branches are larger than 2 inches diameter (regardless of length) or greater than 2 feet in length (regardless of diameter). No pruning will be done to a height greater than 50% of total tree height. The cut limbs will be chipped on site.

8. Trees less than 8 inches DBH will be spaced leaving 2 feet - 5 feet between crowns. Live and dead limbs will be pruned up to a height of 15 feet. Limbs will be pruned when branches are larger than 2 inches diameter (regardless of length) or greater than 2 feet in length (regardless of diameter). No pruning will be done to a height greater than 50% of total tree height. The cut limbs and stems will be chipped on site. Trees < 3 feet high do not require pruning.

9. Non-coniferous brush will be cut and chipped/ mowed on site unless islands are pre-designated or agreed to by the contract administrator or his designee.

10. Ground disturbance from machinery use shall not exceed 15% on each acre and berms, ruts and other operator caused ground disturbance will be smoothed out to original contours before leaving the immediate work area.

11. If there are pre existing of slash piles within the project boundaries prior to the project work being done the contractor will not be responsible for abatement unless otherwise negotiated with the contract administrator or their designee.

12. Stumps will be flush cut as close to the ground as possible in relation to existing terrain and rocks.

Rate quotes are requested on a per acre basis. A quote form by unit is attached as Exhibit C, attached hereto and incorporated herein by this reference. **This form must be used when submitting bids.**

1.3 Minimum Qualifications

The Bidder must be licensed to do business in the state of Washington.

1.4 Funding

Any contract resulting from this RFQQ will be funded with the American Recovery and Reinvestment Act of 2009 (Recovery Fund). Because contract funded from the Recovery Fund, the contractor must meet the additional requirements as specified in the contract attached as Exhibit A.

1.5 Period of Performance

The period of performance of the contract resulting from this RFQQ is tentatively scheduled for **May 31, 2010** to **November 30, 2010.** Any amendments extending the period of performance shall be at DNR's sole discretion.

SECTION 2 - GENERAL INFORMATION

2.1 RFQQ Coordinator

The RFQQ Coordinator is the sole point of contact in DNR for this procurement. All communication between the Bidders and the DNR shall be with the RFQQ Coordinator, as follows:

Name	**Matt Eberlein**
Mailing address Street Address	713 Bowers Rd
City, State, Zip Code	Ellensburg WA, 98926
Phone Number	509-856-7055
FAX Number	509-925-8510
E-Mail Address	Matt.eberlin@dnr.wa.gov

Communication with individuals other than the RFQQ Coordinator will be considered unofficial and non-binding on DNR. Bidders are to rely on written statements issued by the RFQQ Coordinator. Communication directed to parties other than the RFQQ Coordinator may result in disqualification of the Bidder.

2.2 Estimates Schedule of Activities

Proposals Due	**May 7, 2010 4pm**
Evaluate Proposal	May 10, 2010
Announce Apparent Successful Contractor/Notification to Unsuccessful Bidders	May 14, 2010
Negotiate Contract	May 17, 2010
Sign Contract and Begin Work	May31, 2010

DNR reserves the right to revise this schedule.

2.3 Submission of Proposals

Bidders are required to submit four (4) copies of their proposal. One copy must have an original signature and three copies can have photocopied signatures.

The proposal is to be sent to the RFQQ Coordinator at the address listed in Section 2.1 above. The envelope should be clearly marked to the attention of the RFQQ Coordinator.

The proposal, whether mailed or hand delivered, must arrive at the DNR no later than 4:00 pm, local time, on the date specified in Section 2.2 above.

Bidders should allow for normal mail delivery time to ensure timely delivery of their proposals to the RFQQ Coordinator. The Bidder assumes the risk for the method of delivery they choose. DNR assumes no responsibility for delays caused by a delivery service.

Late submittal of a proposal will not be accepted and will be automatically disqualified from further consideration. All proposals and any accompanying documentation become the property of the DNR and will not be returned.

2.4 Public Disclosure

Proposals submitted in response to this competitive procurement shall become the property of DNR and are subject to disclosure under the Public Records Act (RCW 42.56). All information in the proposal the Bidder claims is exempt from disclosure under the provisions of RCW 42.56 must be clearly designated as such by the Bidder. The page must be identified and the particular exemption from disclosure relied upon by the Bidder must be identified. Marking the entire proposal exempt from disclosure or as Proprietary Information will not be honored.

If a public records request is made for the information that the Bidder has marked as exempt, DNR will notify the Bidder of the request and of the date that the records will be released to the requester unless the Bidder obtains a court order enjoining that disclosure. If the Bidder fails to obtain the court order enjoining disclosure, DNR will release the requested information on the date specified. If a Bidder obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, the DNR shall maintain the confidentiality of the Bidder's information per the court order.

A charge will be made for copying and shipping records to a requester as outlined in RCW 42.56. No fee shall be charged for inspection of contract files, but twenty-four (24) hours notice to the RFQQ Coordinator is required. All requests for information should be directed to the RFQQ Coordinator.

2.5 Failure to Comply

If the Bidder fails to comply with any requirement of the RFQQ, DNR will reject the proposal.

2.6 Signatures

Proposals must be signed and dated by a person authorized to bind the Bidder to a contractual arrangement, e.g., President or Executive Director if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship.

2.7 Revisions to the RFQQ

DNR reserves the right to revise the RFQQ and/or to issue addenda to the RFQQ. If DNR finds it necessary to revise any part of the RFQQ, addenda will be provided to all those who received the RFQQ.

DNR also reserves the right to cancel or to reissue the RFQQ in whole or in part, prior to execution of a contract.

2.8 Rejecting Proposals

DNR reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract from this RFQQ.

2.9 Acceptance Period

Proposals must provide 60 days for acceptance by DNR from the due date for receipt of proposals.

2.10 Responsiveness

All proposals will be reviewed by the RFQQ Coordinator to determine compliance with administrative requirements and instructions specified in this RFQQ. The Bidder is specifically notified that failure to comply with any part of the RFQQ may result in rejection of the proposal as non-responsive.

DNR also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

2.11 Most Favorable Terms

The DNR reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal shall be submitted initially on the most favorable terms that the Bidder can propose. There will be no best and final offer procedure. DNR does reserve the right to contact a Bidder for clarification of the proposal during the evaluation process. In addition, if the Bidder is selected as an apparent successful contractor, DNR reserves the right to enter into contract negotiations with the apparent successful contractor, which may include discussion regarding the terms of the proposal. Contract negotiations may result in incorporation of some or the Bidder's entire proposal. The Bidder is to be prepared to accept this RFQQ for incorporation into a contract resulting from this RFQQ. It is also understood that the proposal will become part of the official procurement file.

2.12 Obligation to Contract

This RFQQ does not obligate the state of Washington or DNR to contract for services described.

2.13 Cost to Propose

The DNR will not be liable for any costs incurred by the Bidder in preparation of the proposal submitted in response to this RFQQ, or any other activities related to responding to this RFQQ.

2.14 Commitment of Funds

The Commissioner of Public Lands or his delegate is the only individuals who may legally commit the DNR to the expenditures of funds for a contract resulting from this RFQQ. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

2.15 Indemnity and Insurance Coverage

The contractor must indemnify and have adequate insurance coverage to hold DNR and the State harmless for any claims arising out of or resulting from the contract. See the contract at Exhibit A for the specific requirements.

SECTION 3 – PROPOSAL CONTENTS

Proposals must provide information in the same order as presented in this document with the same headings. This will not only be helpful to the evaluators of the proposal, but should assist the Bidder in preparing a thorough response.

Items marked as "mandatory" must be included as part of the proposal for the proposal to be considered responsive, however, these items are not scored. Items marked "scored" are those that are awarded points as part of the evaluation conducted by the evaluation team.

3.1 Qualifications Section

The qualifications section of the proposal must contain information that will demonstrate to the evaluation committee the Bidder's understanding of the types of services proposed, the firm's ability to accomplish them and the ability to meet tight time frames.

3.1.1 Business Information (Mandatory)

A. State the Bidder's business name, address, e-mail address, principal place of business, telephone number and fax number of legal entity or individual with whom the contract would be made.

B. Specify the legal status of the business (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now substantially exists.

C. Include the Federal Employer Tax Identification number or Social Security number and the Washington Uniform Business Identification number issued by the state of Washington Department of Revenue.

D. If the Bidder has had a contract terminated for default in the last five (5) years, describe such incident. Termination for default is defined as notice to stop performance due to the Bidder's non-performance or poor

performance and the issue of performance was either (a) not litigated due to inaction on the part of the Proposal, or (b) litigated and such litigation determined that the Proposer was in default.

Submit full details of the terms for default including the other party's name, address, and phone number. Present the Bidder's position on the matter. The DNR will evaluate the facts and may, at its sole discretion, reject the proposal on the ground of the past experience. If no such termination for default has been experienced by the Bidder in the past five (5) years, so indicate.

3.1.2 Qualifications (Scored)

1. Experience (Scored)

A. Identify the number of years the Bidder has successfully provided the type of service as being requested within this proposal.

B. Specify the Bidder's level of knowledge and experience in the following areas:

C. State Bidder's capacity and ability to complete this scope of work within the period of performance in addition to meeting the administrative reporting and invoicing requirements in a timely manner.

D. Include a list of contracts the Bidder has had during the last two years that relate to the Bidder's ability to perform the services needed under this RFQQ. List contract reference numbers, contract period of performance, contact persons, telephone numbers, and fax numbers/e-mail addresses.

2. Staffing (Scored)

Provide a description of the proposed crew structure to include number of persons on crew and their experience levels to be used on this project, including any subcontractors.

3. Schedule (Scored)

Describe the Bidder's ability to meet deadlines, especially on a short-time frame, and give examples of how past tight deadlines have been successfully met.

4. References (Mandatory)

List names, addresses, telephone numbers, and fax numbers/e-mail addresses of three (3) business references for whom work has been accomplished and briefly describe the type of service provided. The Bidder must grant permission to the DNR to contact the references. Do not include current DNR staff as references. References will be contacted for the top-scoring proposal(s) only.

3.2 Cost Quotation (Scored)

3.2.1 Cost Details

The evaluation process is designed to award this procurement not necessarily based on least cost, but rather to the Bidder who best meets the requirements of this RFQQ.

The cost details must contain the following information:

- Quotes will be accepted on a per acre basis for mechanical (machine and operator), chipper, foreman and laborers. Include all contractor costs to perform work, including; equipment, supplies, fuels, travel, transportation and general business expenses. Quotes may be submitted for hand crew work only, mechanical only or the combination of hand and mechanical work. Identify the type, size, and capabilities of the equipment. **Quotes must be submitted on the Quote Sheet, attached as Exhibit C.**
- Any subcontract costs. Costs for subcontractors are to be broken out separately.

3.2.2 State Sales Tax

Bidders are required to collect and pay Washington state sales tax, if applicable.

SECTION 4 – EVALUATION AND CONTRACT AWARD

4.1 Evaluation Weighting and Scoring

The following weighting and points will be assigned to the proposal for evaluation purposes:

Pricing Details	40 points (maximum)
Qualifications of the Bidder	60 points (maximum)
Experience	35 points (max)
Staffing	15 points (max)
Schedule	10 points (max)
TOTAL EVALUATION POINTS	**100 points (maximum)**

4.2 Notification to Unsuccessful Bidders

Firms whose proposals have not been selected for further negotiation or award will be notified via e-mail at the e-mail provided in the proposal.

4.3 General Terms and Conditions

The apparently successful contractor will be expected to enter into a contract with the DNR which is substantially the same as the contract attached as Exhibit A, including the DNR General Terms and Conditions.

4.4 Protest Procedure

Bidders who responded to this solicitation may file a protest to the selection of the winning proposals with the RFQQ Coordinator within three (3) business days after contract award.

Bidders protesting this selection shall follow the procedures described below. DNR will not consider protests that do not follow these procedures. This protest procedure constitutes the sole administrative remedy available to Bidders under this procurement.

All protests must be in writing and signed by the protesting party or an authorized Agent. The protest must state the grounds for the protest with specific and complete statement of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests shall be addressed to the RFQQ Coordinator.

Only protests raising one or more factually supportable issues concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of an evaluator;
- Errors in computing the score;
- Non-compliance with procedures described in the procurement document.

When DNR receives a protest, DNR will hold a protest review. The Commissioner of Public Lands or his delegate will consider all available facts and issue a decision in five (5) business days of receiving the protest. If additional time is required, the protesting party will be notified of the delay.

If a protest might affect the interest of other Bidders that submitted a proposal, those Bidders will be given an opportunity to submit its views and any relevant information on the protest to the RFQQ Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold DNR's action; or
- Find only technical or harmless errors in DNR's acquisition process and/or conduct and determine the DNR to be substantially in compliance and reject the protest; or
- Find merit in the protest and provide the DNR options which may include:
  - Correct the errors and re-evaluate all proposals
  - Reissue the solicitation document
  - Make other findings and determine other courses of action as appropriate.

If DNR determines that the protest is without merit, DNR will enter into a contract with the apparently successful contractor.

Approved as to form only by
Michael Rollinger, AAG
October 22, 2009

Exhibit A

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Project Name

Agreement No:

This agreement is made and entered into by and between Washington State Department of Natural Resources, Po Box 47037, Olympia, Washington 98504-7037, hereinafter referred to as the DNR, and Contractor's Company, hereinafter referred to as the Contractor, for the express purposes set forth in the following provisions.

In consideration of the terms, conditions and covenants contained herein, or attached and incorporated and made a part hereof, the parties mutually agree as follows:

SPECIAL TERMS AND CONDITIONS

Scope of Activity

The Contractor will perform work on activities that reduce wildfire fuels in the project area, the details and location of which are outlined in Attachment A. It contains the scope of activity, objectives and tasks, and deliverables.

All deliverables required under this agreement must be delivered to the Washington State Department of Natural Resources (DNR) contract manager or designee.

The Contractor shall complete all specified activities including submission of reports, and/or other required documentation within the time periods set forth in the agreement. Failure by the Contractor to make satisfactory progress toward completion of the activities or project within the time lines specified in this agreement shall be considered a material breach and shall be grounds for immediate termination of this agreement by DNR. DNR has sole discretion to determine whether the Contractor is making satisfactory progress on the activities or project.

Conduct of Work

The Contractor shall furnish all necessary qualified personnel, material, and equipment, and manage and direct the same to timely complete the work described in this agreement.

Period of Performance

Effective Date

Subject to its other provisions, the period of performance under this agreement shall commence upon final execution by both parties.

Completion Date

This agreement shall terminate on _____, or when all of its terms and conditions have been satisfied, whichever is earlier, unless sooner terminated as provided herein.

Source of Funding

This agreement is funded with the American Recovery and Reinvestment Act of 2009 (Recovery Fund), Catalogue of Federal Domestic Assistance # 10.688 - Recovery Act Funding for Wildland Fire Management.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) CONTRACT REQUIREMENTS

A. Recovery Act Reporting Requirements; Section 1512(c) of the Recovery Act

Contractor acknowledges and agrees that the American Recovery and Reinvestment Act of 2009, hereinafter "Recovery Act" places great emphasis on accountability and transparency in the use of taxpayer dollars. Among other things, it creates a new Recovery Accountability and Transparency Board and a new website--Recovery.gov--to provide information to the public, including access to detailed information on grants and contracts made with Recovery Act funds.

DNR, as a recipient of Recovery Act funds, must comply with the Recovery Act's extensive reporting requirements, including quarterly financial and programmatic reporting due within 10 calendar days after the end of each calendar quarter. DNR will require periodic reports from its sub-recipients in order to fulfill its reporting obligations. Contractors receiving Recovery Act funds may expect that a standard form(s) and/or reporting mechanism will be made available at a future date.

Contractor agrees to provide to DNR all reports, documentation, or other information, as may be required by DNR to meet reporting obligations under the Recovery Act. Contractors receipt of funds is contingent on Contractor meeting the reporting requirements of Section 1512.

Additional instructions and guidance regarding the required reporting will be provided as they become available. For planning purposes, however, Contractors receiving Recovery Act funds should be aware that Recovery Act section 1512(c) provides:

Recipient Reports

Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a Federal agency shall submit a report to that agency that contains:

1. The total amount of recovery funds received from that agency;
2. The amount of recovery funds received that were expended or obligated to projects or activities; and
3. A detailed list of all projects or activities for which recovery funds were expended or obligated, including:
   (a) The name of the project or activity;
   (b) A description of the project or activity;

(c) An evaluation of the number of jobs created and the number of jobs retained by the project or activity; and

(d) An estimate of the number of jobs created and the number of jobs retained by the project or activity; and

(e) For infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under the Recovery Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.

1. Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below $25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.

B. Registration with Central Contractor Registration (CCR)

Recipients of funds under the Recovery Act shall register with the Central Contractor Registration (CCR) database at www.ccr.gov. This ensures consistent reporting of data about each entity and thereby makes data more useful to the public. In order to register in CCR, a valid Data Universal Numbering System (DUNS) DUNS Number is required and should be included on the cover page or other designated place in this agreement.

C. Wage Rate Requirements under Section 1606 of the American Recovery and Reinvestment Act of 2009 – Davis-Bacon Act

All laborers and mechanics employed by Contractor and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act, shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (Davis-Bacon Act). With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan numbered 14 of 1950 (64 Stat. 1267, 5 U.S.C. App.) and section 3145 of title 40 United States Code. See U.S. Department of labor, Wage and Hour Division website at http://www.dol.gov.esa/whd/contracts/dbra.htm. Wage determinations can be found at http://www.wdol.gov.

The Contractor shall include this provision and require this provision to be contained in all subcontracts for work performed under this agreement.

The work performed by this agreement may also be subject to the State's prevailing wage laws, Chapter 39.12 RCW.

D. Protection of Whistleblowers

Prohibition on Reprisals: An employee of any non-Federal employer receiving covered funds under the Recovery Act may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Accountability and Transparency Board, an inspector general, the Comptroller General, a member of Congress, a State or Federal

regulatory or law enforcement agency, a person with supervisory authority over the employee (or other person working for the employer who has the authority to investigate, discover or terminate misconduct,) a court or grant jury, the head of a Federal agency, or their representatives information that the employee believes is evidence of:

- Gross mismanagement of an agency contract or grant relating to covered funds;
- Gross waste of covered funds;
- Substantial and specific danger to public health or safety related to the implementation or use of covered funds;
- Abuse of authority related to the implementation or use of covered funds; or
- Violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to covered funds.

E. ARRA – Listing Recovery Act Jobs with the Employment Security Department

This agreement is funded with federal stimulus funds (under the American Recovery & Reinvestment Act), which has strict reporting requirements for funds spent and jobs created or retained are attached as Attachment C and incorporated herein. All job openings created by the Contractor for this project must be listed with the WorkSource system (an affiliate of the Employment Security Department) before hiring; all hiring decisions also must be reported to WorkSource. In addition, all Sub-Contractors hired by the Contractor also must be required to list jobs and report hiring results to WorkSource. Existing Contractor or Sub-Contractor employees who are retained using funds from this project also must be reported to WorkSource.

WorkSource will pre-screen and refer qualified job candidates for the Contractor's consideration. The Contractor also has the discretion to use other, additional recruitment systems and retains the right to make all hiring decisions.

To begin the listing and reporting process, contact the ARRA Business Unit at 877-453-5906 (toll-free), 360-438-4849 or ARRA@esd.wa.gov.

F. Office of Management and Budget (federal) Guidance

This award is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by the Office of Management and Budget.

G. Government Accounting Office/Inspector General Access

The Contractor/ agrees to comply with the requirements as described in the Access of Government Accountability Office, Section 902, of the American Recovery and Reinvestment Act of 2009. This section gives the Comptroller general and his representatives' authorization:

1. To examine any records of the Contractor or any of its subcontractors, or any State or local agency administering such contract, that directly pertain to, and involve transactions relating to, the contract or subcontract; and

2. To interview any officer or employee of the Contractor or any of its subcontracts, or of any State of local government agency administering the agreement, regarding such transactions.

Certification Regarding Suspension, Debarment, and Other Responsibility Matters

Federal Executive Order 12549 provides that Executive departments and agencies shall participate in a government-wide system for monitoring suspended, debarred and excluded parties. These departments and agencies have further passed this requirement onto their Contractors and have provided pertinent regulations in the Code of Federal Regulations. The Contractor, by signing this agreement, certifies that it is not suspended, debarred or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the Contractor is unable to certify to the statements contained in the certification, they must provide and explanation as to why they cannot. The web site for checking suspended, debarred or excluded parties is www.epls.gov.

Rights and Obligations

Attachment A contains the Scope of Work and Attachment B contains the General Terms and Conditions governing the activities to be performed under this agreement, the nature of the working relationship between the DNR and the Contractor. All rights and obligations of the parties to this agreement shall also be subject to and governed by the Special Terms and Conditions of the agreement and all of the attachments incorporated by reference herein.

Grant Disbursements and Payment

Amount of Grant

The total grant shall not exceed *write out the amount* (*$ place the numeric value here.*), and will be disbursed upon satisfactory completion of timely deliverables as described in Attachment A and in compliance with all agreement terms. Grant disbursement shall be on a cost reimbursement basis for costs incurred in the performance of this agreement.

Time of Disbursement

Disbursement shall be considered timely if made by DNR within thirty (30) days after receipt of properly completed invoice vouchers. Disbursement shall be sent to the address designated by the Contractor. DNR may, in its sole discretion, terminate this agreement or withhold disbursements claimed by the Contractor if the Contractor fails to satisfactorily comply with any term or condition of this agreement or if USDA Forest Service federal funding which DNR receives is no longer available.

Method of Disbursement

Requests for disbursement under this agreement shall be submitted by the Contractor on invoice vouchers prepared in the manner prescribed by DNR. These vouchers shall include such information as is necessary for DNR to determine the exact nature of all expenditures. Each voucher will clearly indicate that it is for activities under this agreement.

Expenses

No additional requests for costs or expenses are allowable. All costs and expenses associated with the Contractor fulfilling the terms and the agreement's conditions are included in the grant's amount stated in the "Amount of Grant" above and no additional disbursements shall be made under this agreement.

Recapture Provision

In the event the Contractor fails to expend funds in accordance with any federal or state law or regulation or the provisions of this agreement, DNR reserves the right to recapture funds in the amount equivalent to the amount of noncompliance. Repayment by the Contractor of funds under this section shall occur within 30 days of demand.

Federal Audit Requirements

Contractor agrees that if it expends an aggregate amount of $500,000 or more in federal funds during its fiscal year, it must undergo an organization-wide financial and compliance single audit. Contractor agrees to comply with the audit requirements of the U.S. General Accounting Office Government Auditing Standards and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. If findings are made which cover any part of this Grant, Contractor shall provide one (1) copy of the audit report to DNR and require the release of the audit report by its auditor be held until adjusting entries are disclosed and made to DNR's records.

The Contractor is responsible for any audit exceptions incurred by its own organization or that of its subcontractors. Responses to any unresolved management findings and disallowed or questioned costs shall be included with the audit report. The Contractor must respond to DNR requests for information or corrective action concerning audit issues within 30 days of the date of request. The DNR reserves the right to recover from the Contractor all disallowed costs resulting from the audit.

Acceptance

Disbursement shall be payable to the Contractor only upon completion of agreement by the Contractor, and acceptance by DNR. If a deliverable is not acceptable to the DNR, DNR shall within ten (10) working days from receipt, notify the Contractor in writing of the nature of the defects in the deliverable and any proposed remedy. The Contractor shall respond to this notice in writing with ten (10) working days specifying action to be taken so as to permit acceptance by DNR.

Performance Reporting

The Contractor shall immediately contact the DNR Contract Manager in person or by fax or telephone should any adverse conditions arise. A final report to DNR is due upon the completion date of the agreement.

General Insurance Requirements

Indemnity

To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims arising out of or resulting from the performance of the contract. A "claim" as used in this contract means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorneys' fees, attributable for bodily injury, sickness, disease or death, or injury to or destruction of tangible property including loss of use resulting therefrom. Contractor's obligation to indemnify, defend, and hold harmless includes any claim by Contractor's agents, employees, representatives, or any subcontractor (hereafter referred to as "sub") or its employees. Contractor expressly agrees to indemnify, defend, and hold harmless State for any claim arising out of or incident to Contractor's or any sub's performance or failure to perform the contract. Contractor's obligation to indemnify, defend, and hold harmless State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials. Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

Contractor shall, at all times during the term of this contract at its cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance may result in the termination of the contract at State's option. If the Contractor fails to procure and maintain the insurance described below, Contractor shall be in material breach of this contract. In case of breach, State, at its election, shall have the right to terminate the contract or to procure and maintain, at Contractor's expense and substitute insurance with right of offset against any money due Contractor.

All insurance and surety bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by the department's risk manager before the contract is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

State of Washington, Department of Natural Resources shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications:

1. Insurers subject to Chapter 48.18 RCW (admitted and regulated by the Insurance Commissioner): The insurer shall give the State 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the State shall be given 10 days advance notice of cancellation.
2. Insurers subject to Chapter 48.15 RCW (surplus lines): The State shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, the State shall be given 10 days advance notice of cancellation.
3. Before starting work, Contractor shall furnish State of Washington, Department of Natural Resources with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the

insurance requirements specified in the contract and, if requested, copies of polices to State. The certificate of insurance shall reference the State of Washington, Department of Natural Resources, and the contract number.

Contractor shall include all subs as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each sub. Sub(s) must comply fully with all insurance requirements stated herein. Failure of sub(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

The state of Washington, Department of Natural Resources, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella, and property insurance policies.

All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by State.

Contractor waives all rights against State for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this contract.

If Contractor is self-insured, evidence of its status as a self-insured entity shall be provided to State. If requested by State, Contractor must describe its financial condition and the self-insured funding mechanism.

By requiring insurance herein, State does not represent that coverage and limits will be adequate to protect Contractor, and such coverage and limits shall not limit Contractor's liability under the indemnities and reimbursements granted to State in this contract.

The limits of insurance, which may be increased by State of Washington, Department of Natural Resources, as deemed necessary, shall not be less than as follows:

Commercial General Liability (CGL) Insurance

Contractor shall maintain general liability (CGL) insurance covering claims for bodily injury, personal injury, or property damage arising on the property and/or out of Contractor's operations and, if necessary, commercial umbrella insurance with a limit of not less than $1,000,000 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit

CGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent s, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insured (cross liability) condition.

Employer's Liability ("Stop Gap") Insurance

Contractor shall buy employer's liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease.

Workers' Compensation Coverage

Contractor shall comply with all State of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Contractor and employees of any sub or sub-sub. Coverage shall include bodily injury (including death) by accident or disease, which exists out of or in connection with the performance of this contract. Except as prohibited by law, Contractor waives all rights of subrogation against State for recovery of damages to the extent they are covered by workers' compensation, employer's liability, commercial general liability, or commercial umbrella liability insurance.

If Contractor, sub or sub-sub fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Contractor shall indemnify State. Indemnity shall include all fines, payment of benefits to Contractor or sub employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

Business Auto Policy

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than $1,000,000 per accident. Such insurance shall cover liability arising out of "Any Auto." Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01. Contractor waives all rights against State for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance

Order of Precedence

Each of the attachments listed below is by this reference hereby incorporated into this agreement. In the event of an inconsistency in this agreement, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations;
- Special Terms and Conditions as contained in the basic agreement instrument;
- Attachment A: Scope of Work;
- Attachment B: General Terms and Conditions;
- Attachment C: ARRA – Listing Recovery Act Jobs with Employment Security Department
- Attachment D: Certification of Compliance with Provisions of the Davis Bacon Act
- Attachment E: Contractor's Proposal dated _____
- Request for Qualifications and Quotations No. _____, incorporated by this reference

Conformance

If any provision of this agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or law.

Contract Management

The Contract Manager for each of the parties shall be the contact person for all communication and billings regarding the performance of this agreement.

Contractor Contract Manager	DNR Contract Manager
Contract Mgr. Name:	Contract Mgr. Name:
Contractor Name:	Agency : Washington State Department of Natural Resources
Address:	Address:
City, State, Zip Code	City, State, Zip Code
Phone: ( ) ( ) FAX ( ) ( )	Phone: ( ) ( ) FAX ( ) ( )

Entire Agreement

This agreement, including referenced attachments, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, shall be deemed a part hereof.

This agreement is executed by the persons signing below, who warrant they have the authority to execute this agreement.

CONTRACTOR	**Washington State Department of Natural Resources**
Signature	Signature
Title	Title
Date	Date

Approved as to form only by
Michael Rollinger, AAG
October 22, 2009

Attachment B

GENERAL TERMS AND CONDITIONS

Amendments

This agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

Assignability

This agreement, and any claim arising under this agreement, is not assignable or delegable by the Contractor either in whole or in part.

Closeout

The Contractor must submit all requests for reimbursement for activities under this agreement to the DNR so that they are received no later than thirty (30) days following the termination of this agreement. If an earlier date is specified in this agreement, the earlier date shall take precedence.

Compliance with Applicable Statutes, Rules and Policies

All applicable state and federal laws and regulations, and agency policies govern this agreement.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Deductions

The DNR shall make no deductions from the stated amount of the grant for income tax, social security taxes, medical insurance, industrial insurance, license fees or deduction of any other kind. Contractor is responsible for all deductions for which the Contractor may be liable.

Funding

In the event funding from federal, state, or other sources is withdrawn, reduced, or limited in any way after the effective date of this agreement, and prior to normal completion, the DNR may terminate the agreement under the "Termination for Convenience" clause, without the ten (10) day notice requirement, subject to renegotiation at the DNR's discretion under those new funding limitations and conditions.

Governing Law

This agreement shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

Independent Capacity of Contractor

The Contractor and its employees or agents performing under this agreement are not employees or agents of the DNR. The Contractor will not represent itself nor claim to be an officer or employee of the DNR or of Washington State by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to an employee under Washington law.

Invoice(s) Select one of the two shaded areas below and deleted the other.
Invoices are due in to DNR no later than the 20th of each month.

OR

Invoices are due to DNR quarterly, no later than September 20, December 20, March 20, and June 20 each year.

Invoice Vouchers shall provide:

- Agreement Number
- CFDA Number 10.688
- Month of Service being Reported On
- Certification of Compliance with Provisions of the Davis-Bacon Act
- Number of Jobs (Only report those jobs being directly charged to this contract)
- Total number of hours worked this reporting period
- Identify Project Status as:
  - Not started
  - Less than 50% complete
  - Completed 50% or more
  - Fully Complete

Non-Discrimination

During the performance of activities under this agreement, the Contractor shall comply with all federal and state non-discrimination laws, regulations and policies. In the event of the Contractor's non-compliance or refusal to comply with any non-discrimination law, regulation, or policy, this agreement may be rescinded, cancelled or terminated in whole or in part, and the Contractor may be declared ineligible for further agreements with the DNR.

Publicity

The Contractor agrees to submit to DNR all publicity matters relating to this agreement wherein DNR's name is mentioned or language used from which the connection of DNR's name may, in DNR's judgment, be inferred or implied. The Contractor agrees not to publish or use such publicity matters without the prior written consent of DNR.

Records Maintenance

The Contractor shall maintain books, records, documents, data and other evidence relating to this agreement and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this agreement.

Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the agreement, shall be subject at all reasonable times to inspection, review or audit by the DNR, personnel duly authorized by DNR, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

Right of Inspection

The Contractor shall provide right of access to its facilities to DNR or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance compliance, and/or quality assurance under this agreement.

Severability

The provisions of this agreement are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the agreement.

Termination for Convenience

The DNR may terminate this agreement in whole or in part by written notice to the Contractor when it is in the best interest of the DNR. If this agreement is so terminated, the DNR shall be liable only for disbursements in accordance with the terms of this agreement for activities completed prior to the effective date of termination.

Waiver

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this agreement unless stated to be such in writing and signed by authorized representatives of the DNR.

Disputes

The parties shall make every effort to resolve disputes arising out of or relating to this agreement through discussion and negotiation. Should discussion and negotiation fail to resolve a dispute arising under this agreement, the parties shall select a dispute resolution team to resolve the dispute. The team shall consist of a representative appointed by each party and a third representative mutually agreed upon by both parties. The team shall attempt, by majority vote, to resolve the dispute. Both parties shall share equally in the costs of such disputes process. This disputes process shall precede any action in a judicial or quasi-judicial tribunal.

Attachment A

Scope of Activity and Budget for Project Name

Budget:

Attachment C

WASHINGTON STATE DEPARTMENT OF
Natural Resources

CERTIFICATION OF COMPLIANCE
WITH LISTING RECOVERY ACT JOBS WITH
Washington State Employment Security Department

I certify that the following jobs have been created and listed with the WorkSource system (an affiliate of the Employment Security Department) in accordance with the terms and conditions of this contract:

DNR Contract Number

Name of Worker

Workers Job Title/Position **Wage Rate**

Number of Hrs (this invoice)

Signature of Contractor **DATE**
(mm/dd/yyyy)

Attachment D

WASHINGTON STATE DEPARTMENT OF
Natural Resources

Washington State Department of Natural Resources

CERTIFICATION OF COMPLIANCE WITH PROVISIONS OF THE DAVIS-BACON ACT

(Subchapter IV of Chapter 31 of Title 40 U.S.C)

I certify that no construction activities have been performed on project(s): (List project(s))

CFDA No 10.688 and DNR Agreement Number:

Wage rate/worker information

Names of Workers	Workers Job Title/ Position	Wage Rate	# of Worker Hrs on this invoice

Name of Authorized Contractor (Typed)	Company Name

Signature of Contractor (below)	DATE (mm/dd/yyyy)

Exhibit B

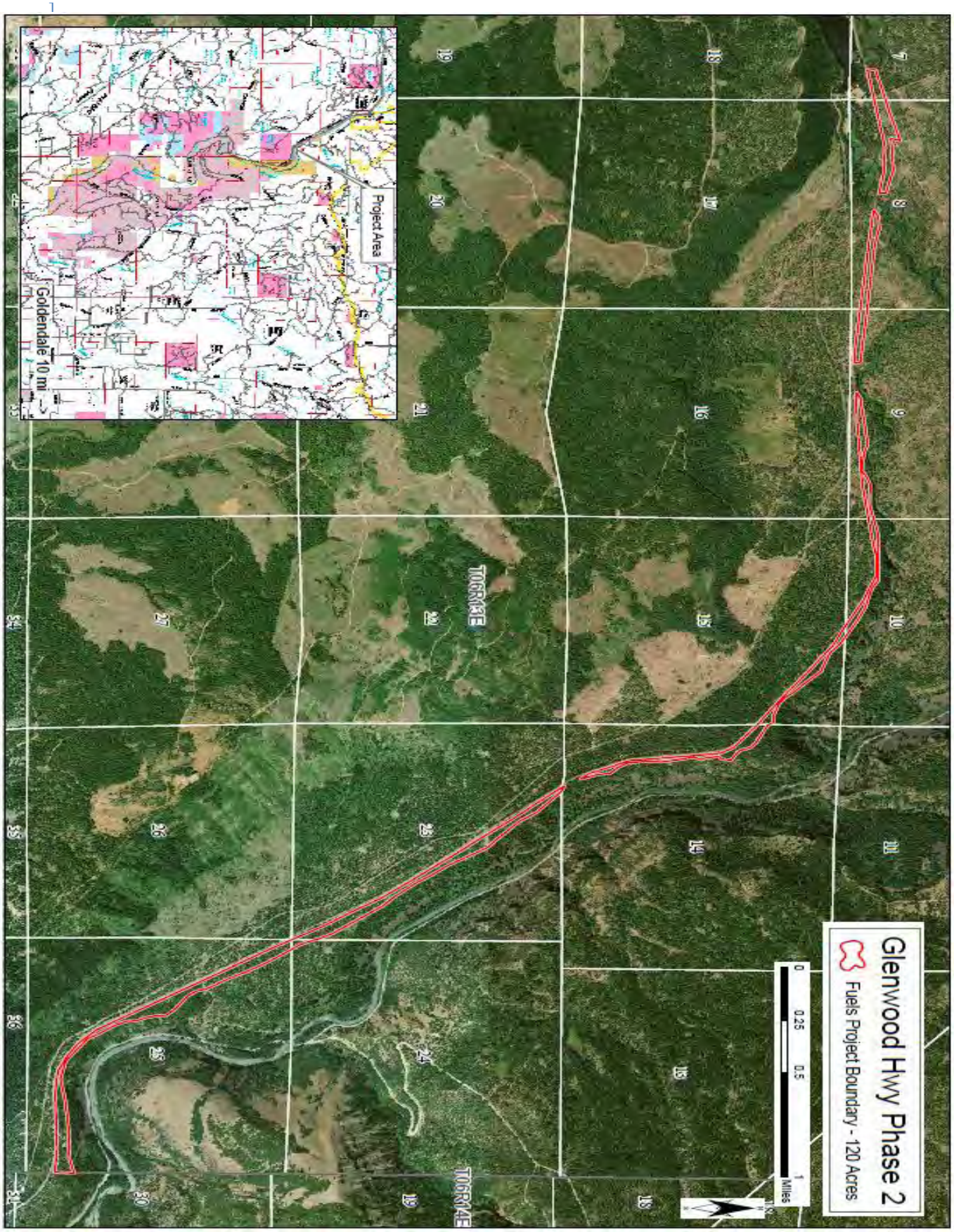
Glenwood Hwy Phase 2
Fuels Project Boundary - 120 Acres
0 0.25 0.5 1 Miles
T06R13E
T06R14E
Project Area
Goldendale 10 mi

Exhibit C

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Quote Sheet
Glenwood Highway Phase II Project

Contractor Name:	**Availability:**
Address:	
E-mail:	
Contract Phone Numbers:	

Rate Quote Per Acre	**Mechanical with Operator**	**Chipper without Operator**	**Foreman**	**Laborers**

Mechanical Description	**Make**	**Model**	**Horsepower**	**Diameter Limit**	**Other**
Chipper	**Make**	**Model**	**Horsepower**	**Diameter Limit**	**Other**

RFQQ Exhibit D

FOR HFM USE ONLY

Contract No. KLML-WA-10-0
Permittee Name _____
Initiator Approval _____
Manager Approval _____

ACCESS PERMIT

THIS ACCESS PERMIT ("**Permit**" or "**Agreement**") is made and entered into as of the _____ day of _____, 2010, by and between **JOHN HANCOCK LIFE & HEALTH INSURANCE COMPANY**, a Massachusetts corporation, formerly known as Manulife Insurance Company, and **JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)**, a Michigan corporation, successor by merger to John Hancock Life Insurance Company and John Hancock Variable Life Insurance Company, **JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.),** a Michigan corporation, successor by merger to John Hancock Life Insurance Company for and to the extent of its **Separate Investment Account Nos., 52** and **126**, (individually and collectively "**Landowner**"), acting by and through its property manager and agent, **HANCOCK FOREST MANAGEMENT INC.,** a Delaware corporation ("**Company**"), whose address is 139 Draper Springs Road, Glenwood, WA 98619, and _____ ("**Permittee**"), whose address is _____. This Permit grants Permittee the non-exclusive permission to use certain roads constructed on certain land (the "**Managed Land**") owned by Landowner and managed by Company. The Premises, as defined, are a part of the Managed Land. This Permit is executed in triplicate and consists of the terms and conditions set forth following the signatures of Landowner and Permittee (individually, a "**Party**" and collectively, the "**Parties**") listed below.

LANDOWNER

John Hancock Life & Health Insurance Company, formerly known as Manulife Insurance Company and **John Hancock Life Insurance Company (U.S.A.)** successor by merger to John Hancock Life Insurance Company and John Hancock Variable Life Insurance Company, **John Hancock Life Insurance Company (U.S.A.)** successor by merger to John Hancock Life Insurance Company for and to the extent of its Separate Investment Account Nos., **52** and **126**

By: Hancock Natural Resource Group, Inc., a Delaware corporation, their Investment Manager
By: Hancock Forest Management Inc., a Delaware corporation, its Property Manager

By: _____
Title: Nate Putnam, Forester & Engineer
Date: _____ 20__

By: _____
Title: Wayne Vinyard, Area Manager
Date: _____ 20__

PERMITTEE

_____

By: _____
Title: _____
Date: _____ 20__

Certificate of Ins. _____.
Fed ID#: _____
Workers' Comp. #: _____
UBI #: _____
Timber Operator #: _____

1 – ACCESS PERMIT
PDX/034840/130619/MAS/1060599.10
JHUSA post merger 1-1-10

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. GRANT

Landowner does hereby grant to Permittee, non-exclusive permission to use certain roads constructed on the land described in Exhibit A (the "**Premises**"), and shown on Exhibit B attached hereto, but only as reasonably necessary in connection with conducting Permittee's operations described in Exhibit C attached hereto (the "**Operations**"). Permittee shall give Landowner prompt written notice of its completion of the Operations.

2. TERM

The term of this Permit shall be effective on _____, 20__, and shall terminate on the earlier of (i) _____, 20__ or (ii) the completion or earlier termination of the Operations. Notwithstanding anything to the contrary herein, in the event of Permittee's breach of any of the terms or conditions of this Permit, Landowner may immediately terminate this Permit at any time, with or without notice.

3. CONSIDERATION

For and in consideration for the rights granted under this Permit, Permittee shall pay Landowner the sum of $_0_____ [upon execution of this Agreement] [upon the expiration of this Agreement] [on the _____ day of each month during the term of this Agreement, commencing on _____, 20___, through and including _____, 20___.]

4. ASSUMPTION OF RISK AND LIABILITY BY PERMITTEE

Permittee acknowledges that it has inspected the Premises and is familiar with the condition thereof and is entering into this Permit with full knowledge of the state and condition of the Premises and the roads thereon, and accepts the Premises and the roads thereon "AS IS." Neither Company nor Landowner makes any warranty or representation as to the present or future condition, safety, or suitability of the roads for use by Permittee, the condition or use of the Premises, or the character of the traffic on any of its roads. Permittee, on behalf of itself, its employees, contractors, subcontractors, agents, invitees, licensees or other third parties performing services for Permittee on the Premises or in conjunction with the Operations or this Permit, expressly assumes all risks associated with its Operations and all activity which takes place on the Premises and the roads thereon, including, but not limited to, the use of primitive unsigned roads or trails and unstable soil conditions on or in the vicinity of the Premises, whether conducted by the Permittee, or any party associated with Permittee. Permittee understands and agrees that Landowner would not have granted this Permit without such an express assumption of all risks by Permittee.

5. INDEMNIFICATION.

5.1 Contractor agrees to reimburse, indemnify, defend and hold harmless, Landowner, Hancock Natural Resource Group, Inc., John Hancock Life & Health Insurance

Company formerly known as Manulife Insurance Company John Hancock Life Insurance Company (U.S.A.) successor by merger to John Hancock Life Insurance Company and John Hancock Variable Life Insurance Company and its wholly and majority owned affiliates and subsidiary companies and their respective officers, insurers, agents and employees (individually and collectively, the "**Indemnified Parties**"), the Premises, the Landowner's property, and the Managed Land from any and all costs, expenses, damages, penalties, liens, charges, claims, injuries, environmental cleanup or remediation obligations, demands or liabilities whatsoever, whether direct, contingent or consequential (including reasonable attorneys' fees and court costs) (hereinafter in this Article V referred to collectively as "**Claim**") arising out of or in any manner connected with or resulting from (i) the acts, omissions, activities, or Operations hereunder of Permittee and/or Permittee's servants, employees, subcontractors, agents, permittees, invitees, independent contractors and/or assigns ("**Permittee's Responsible Parties**"), as the case may be, (ii) any material breach of Permittee's representations and/or warranties; or (iii) the failure of Permittee to fulfill any of its covenants or agreements under this Permit, which may be suffered by the Indemnified Parties, the Premises, the Landowner's property or the Managed Land or asserted by any third party whomsoever, including, but not limited to, Permittee's Responsible Parties and governmental agencies. Permittee shall, at Permittee's own cost and expense, defend (with counsel acceptable to Landowner in its sole and absolute discretion) against any and all actions, suits or other legal proceedings that may be brought or instituted against any of the Indemnified Parties, the Premises, the Landowner's property or the Managed Land on any such Claim and shall pay or satisfy any judgment or decree that may be rendered against any of the Indemnified Parties, the Premises, the Landowner's property or the Managed Land in any such action, suit or legal proceeding which may result therefrom.

5.2 Without limiting the foregoing, in the event of assertion of any Claim against the Indemnified Parties, the Premises, the Landowner's property or the Managed Land, Permittee agrees that within three (3) days after notice from Landowner to do so, Permittee shall either cause the satisfaction, discharge or release of any such claim, or deposit with Landowner cash or a corporate surety bond conditioned on satisfaction, release or discharge of such claim, plus such additional reasonable sum as Landowner specifies in such notice for anticipated expenses of Landowner in connection with such claim, such cash deposit or surety bond to be held by Landowner until such claim is satisfied, discharged or released.

5.3 Without limiting the generality of the foregoing, Permittee assumes liability for actions brought by any of Permittee's Responsible Parties. Permittee's indemnity obligation hereunder shall not be limited by any workers' compensation, benefits or disability laws and Permittee waives any immunity that Permittee may have under any applicable industrial insurance law or act or similar workers' compensation, benefits or disability laws. The foregoing waiver was negotiated mutually by Landowner and Permittee.

5.4 Permittee releases and waives all claims against the Indemnified Parties with respect to any claim or injury arising from the Operations of Permittee under this Permit.

6. INSURANCE REQUIREMENTS

Before commencing Operations and at all times that this Agreement is in effect, Permittee and Permittee's Responsible Parties shall comply with the insurance requirements described in Exhibit D attached hereto.

7. COMPLIANCE WITH LAWS AND REGULATIONS

7.1 Permittee shall comply with all applicable laws, statutes, ordinances, rules and regulations of federal, state and local governments and agencies thereof, including, but not limited to, those relating to forest roads, traffic safety, wetlands, environmental protection, forest practices, conservation practices, hazardous waste or materials, explosives, protection of threatened and endangered species, water resources, wetlands, shorelines and the prevention, suppression and control of fire, and all valid orders of federal and state officials pertaining thereto ("**Applicable Laws**").

7.2 Permittee shall, at its sole cost and expense, be responsible for any deviations from or infractions of Applicable Laws, and shall indemnify, defend and hold the Indemnified Parties harmless for any cost, loss, liability or obligation which any party may sustain or incur by reason of the failure by Permittee to comply with any and all such Applicable Laws. In the event that Permittee receives a notice of a deviation or infraction from any governmental entity or agency, Permittee shall immediately notify Landowner and provide copies of all pertinent documentation with regard to such deviation or infraction. Permittee shall ensure that any and all subcontractors performing work, or providing materials, in conjunction with Permittee's activities pursuant to this Permit comply with all applicable federal, state and local laws, rules and regulations. Upon request, Permittee shall provide evidence satisfactory to Landowner of Permittee's compliance hereunder.

8. FIRE PROTECTION AND SUPPRESSION

8.1 Permittee shall use its best efforts to prevent fires from starting on or spreading, to or from the Premises or other land adjacent thereto. Permittee shall comply with all relevant federal, state and local laws and regulations, and all reasonable requests of Landowner with respect to fire prevention and control, including but not limited to, any requirements relating to fire fighting tools in the possession of Permittee or Permittee's employees. Permittee shall suspend Permittee's use of any roads and/or the Premises when, in the absolute discretion of Landowner, or any state or federal forestry officials, such suspension is required because of a significant fire hazard. Permittee shall promptly notify Landowner and the appropriate government authorities upon becoming aware of any fire on or near the Premises that may spread to or threaten any part of the Premises or any other property managed by Landowner.

8.2 Permittee assumes all liability for, and agrees to indemnify and hold the Indemnified Parties harmless from and against all claims, damages, losses, penalties, suits or costs (including reasonable attorneys' fees and court costs), in any manner arising from fire originating on the Premises or other land adjacent thereto, if such fire results from the act, omission or negligence of Permittee, its employees, subcontractors, agents, or invitees, or Permittee's failure to comply with any provision of this Permit or any law, rule or regulation relating to fire prevention or fire suppression.

9. USE AND MAINTENANCE OF PREMISES

9.1 Permittee shall not commit or suffer to be committed any waste upon the Premises nor allow or cause the Premises to be used for any improper or unlawful purpose or for any purpose not expressly permitted under this Permit. Permittee shall pay when due all costs arising in connection with any of its activities on the Premises.

9.2 Permittee shall not cut, damage, destroy, nor otherwise remove timber, or any other natural resource, located on the Premises or otherwise belonging to the Landowner, without Landowner's prior written consent. Such cutting, damaging or destroying of any such timber shall be considered a willful trespass. The parties agree that the damage resulting from such trespass is difficult to ascertain. As a result, Permittee shall pay to Landowner a sum equal to three times the fair market value of the timber that is cut, damaged or destroyed, together will all incidental costs sustained by Landowner on account of the cutting, damaging or destroying of such timber. The parties agree that such a fee represents a fair and reasonable estimate of the cost Landowner will incur by reason of such a trespass.

9.3 Permittee shall not conduct any road construction nor make any alterations, additions, improvements or repairs to the roads on the Premises without the prior written consent of Landowner. Prior to conducting any construction, alteration or repair, Permittee must submit the design, specifications and location of such activities to Landowner for its approval. All approved alterations, additions, and improvements will be completed free of any liens or encumbrances and in a good and workmanlike manner, in conformance with all applicable laws and regulations.

9.4 Permittee agrees to keep the roads used by the Permittee on the Premises open. Permittee shall not (i) obstruct any roads on the Premises; (ii) land any logs or other forest products alongside any road on the Premises without first obtaining Landowner's prior written consent; or (iii) load any trucks on any road on the Premises without Landowner's prior written consent.

9.5 This Permit shall be subject to, and Permittee shall comply with, the speed limits, traffic control and other regulations promulgated from time to time by Landowner or any governmental agency having jurisdiction over the Premises. Landowner may, in its absolute discretion, close any road on the Premises during periods of high fire danger or soft road conditions. Permittee shall drive safely at all times, stay to the right and be able to stop within half of Permittee's sight distance. Permittee shall at all times observe a maximum speed limit of 25 miles per hour and drive with lights on and seat belt fastened. Forest management traffic such as log trucks, rock trucks, service trucks and crew vehicles have right-of-way.

9.6 Permittee shall protect all survey monuments, witness corners, reference monuments and bearing trees on the Premises against destruction, obliteration or damage. If any monuments, corners or accessories are destroyed, obliterated or damaged by Permittees use of the Premises, Permittee, at its sole cost and expense, shall hire a registered land surveyor to establish or record the monuments, corners or accessories, at the same location and shall record such survey in the appropriate county records.

9.7 Permittee shall conduct its activities and Operations so as to cause the least possible damage to the soil, slopes, roads and any surrounding standing timber on the Premises. Permittee shall pay and be responsible for any damage to the roads caused by its Operations which is in excess of that which would be caused through normal and prudent usage of said roads. Permittee shall at all times during its use of the Premises: (i) keep the Premises and all roads in good condition; (ii) reduce fire hazards; (iii) protect the environment and natural soil conditions; (iv) prevent siltation in the streams; and (v) avoid disturbing streambeds, both intermittent and permanent. No fires or open flame. No smoking while outside vehicle. No camping or other recreational use allowed under this permit.

9.8 All of Permittee's vehicles using roads on the Premises shall display a permit or other form of identification approved by Landowner. No gates will be blocked. Permittee will not operate any wheeled or tracked vehicle off existing roads and will not use any ATVs or off-road vehicles of any type.

10. ENVIRONMENTAL LAWS

10.1 Unless otherwise specifically authorized in writing, Permittee shall not bring onto the Premises, dispose of, or otherwise release any hazardous waste or materials or containers containing any hazardous waste or materials in, on or under the Premises or any adjacent property. As used herein, the term "hazardous waste or materials" includes any substance, waste or material designated as hazardous, toxic or dangerous by any applicable federal, state or local law, regulation, rule or ordinance, including, without limitation, petroleum products. If Permittee is permitted to bring hazardous waste or materials on the Premises by Landowner, Permittee shall (1) comply with all requirements of any constituted public authority and all federal, state, and local codes, statutes, rules and regulations, and laws, whether now in force or hereafter adopted relating to Permittee's use of the Premises, or relating to the storage, use, disposal, processing, distribution, shipping or sales of any hazardous waste or materials; (2) comply with any reasonable recommendations by the insurance carrier of either Landowner or Permittee relating to the use by Permittee on the Premises of such hazardous materials; (3) refrain from unlawfully disposing of or allowing the disposal of any hazardous materials upon, within, about or under the Premises; and (4) remove all hazardous materials from the Premises, in compliance with all applicable laws.

10.2 Permittee shall indemnify and hold harmless the Indemnified Parties and their successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, any so-called state or local "Superfund" or "Superlien" law, or any other federal, state or local statute, law or ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous waste or materials) paid, incurred or suffered by, or asserted against, the Indemnified Parties as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for the escape, seepage, leakage, spillage, discharge, emission or release of any hazardous waste or materials that was caused directly or indirectly by Permittee's Responsible Parties.

10.3 Unless otherwise agreed in writing, if Permittee has occasion or need to dispose of hazardous or toxic substances or wastes, Permittee will retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Permittee will ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and has all required transporter identification numbers.

10.4 If a spill or release of oil or hazardous materials by Permittee on the Premises or land adjacent thereto occurs, Permittee will at a minimum (1) immediately notify Landowner of such spill or release, and (2) promptly comply with all federal, state and local spill notification and response requirements, including, but not limited to, all federal and state health and safety requirements. Permittee shall also pay all costs, expenses, penalties, and damages associated with any cleanup, restoration, or mitigation related to such spill or release.

10.5 The obligations and indemnities contained in this Section shall survive the termination of this Permit.

11. TERMINATION FOR BREACH

If Permittee breaches any of its obligations under this Permit or any other agreement to which Permittee is a party with Landowner, Landowner may terminate this Permit immediately, without notice to Permittee. Upon termination under this Section 11, Landowner shall be entitled to take immediate steps to prevent Permittee from using the Premises and to remove Permittee and its equipment. The foregoing remedies shall not be deemed exclusive but shall be in addition to all other remedies available at law or in equity.

12. REMOVAL OF PROPERTY

Upon expiration or earlier termination of this Permit, Permittee shall remove all of its equipment and all materials, tools, rubbish, and all other property placed on the Premises by Permittee, and leave the same in a clean and satisfactory condition. If any equipment is not removed within thirty (30) days after the completion or earlier termination of this Permit, Landowner shall have the right to take possession of, store or otherwise remove and dispose of said equipment at the expense of Permittee. Permittee shall not dispose of waste, including, but not limited to, packaging material, whether by burning, burying or otherwise (on the Premises).

13. MISCELLANEOUS

13.1 **Survival**. All representations and warranties set forth in this Agreement shall survive the expiration or termination of this Agreement. All provisions of this Agreement that contemplate performance after the expiration or termination of this Agreement, including without limitation, the reciprocal attorneys fees provision and the waiver and indemnity provisions set forth herein, shall survive the expiration or termination of this Agreement and be fully enforceable thereafter.

13.2 **Binding Effect**. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and, subject to the restrictions on assignment set forth herein, their respective successors and assigns.

13.3 **Assignment**. Permittee shall not assign any of its rights or obligations under this Agreement without the consent of Landowner, which Landowner may withhold, condition or delay in its sole and absolute discretion.

13.4 **Notices**. All notices under this Agreement shall be in writing and signed by a Party or its counsel. Notices may be (i) delivered personally, (ii) transmitted by facsimile, (iii) delivered by a recognized national overnight delivery service, or (iv) mailed by certified United States mail, postage prepaid and return receipt requested. Notices to any Party shall be directed to the address set forth above, or to such other or additional address as any Party may specify by notice to the other Party. Any notice delivered in accordance with this section shall be deemed given (a) in the case of any notice transmitted by facsimile, on the date on which the transmitting Party receives confirmation of receipt by facsimile transmission, telephone, or otherwise, (b) in the case of any notice delivered by a recognized national overnight delivery service, on the day of delivery to the service, or (c) in the case of any notice mailed by certified U.S. mail, two business days after deposit therein.

13.5 **Waiver**. Any Party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy, shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any breach of any provision of this Agreement shall not constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a Party unless it is set forth in writing and signed by such Party.

13.6 **Amendment**. This Agreement may not be modified or amended except by the written agreement of the Parties.

13.7 **Attorneys' Fees**. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with this Agreement or any instrument or agreement delivered by either Party at the Closing, or to interpret or enforce any rights or remedies hereunder or thereunder, the prevailing Party shall be entitled to recover its attorneys' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

13.8 **Integration**. This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements with respect thereto. The Parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either written or oral, express or implied, that are not set forth in this Agreement or in the Schedules to this Agreement.

13.9 **Governing Law**; **Venue**. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington (without regard to the principles thereof relating to conflicts of laws); venue shall be in Clark County, Washington.

13.10 **Construction and Interpretation**. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement; references herein to sections are to sections of this Agreement unless otherwise specified. Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. As used herein, (i) the terms "**hereof**," "**herein**," "**hereunder**," and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, (ii) the term "**this transaction**" refers to the transaction(s) contemplated by this Agreement, and (iii) the term "**including**" is not limiting and means "**including without limitation**." In the event any period of time specified in this Agreement ends on a day other than a business day, such period shall be extended to the next following business day. All provisions of this Agreement have been negotiated at arm's length and this Agreement shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision hereof.

13.11 **Severability**. If a court of competent jurisdiction finally determines that any provision of this Agreement is invalid or unenforceable, the court's determination should not affect the validity or enforceability of the remaining provisions of this Agreement. In such event, this Agreement shall be construed as if it did not contain the particular provision that is determined to be invalid or unenforceable. No such determination shall affect any provision of this Agreement to the extent that it is otherwise enforceable under the laws of any other applicable jurisdiction

13.12 **Execution and Authority**. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each Party may rely upon the signature of each other Party on this Agreement that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with the original ink signature of the transmitting Party. This Agreement shall become effective and in full force only when duly and properly executed, authorized, and delivered by the Parties hereto. Each individual who executes this Agreement on behalf of a Party warrants his or her authority to do so.

13.13 **Recitals**, **Exhibits and Schedules**. The Recitals to this Agreement and any Schedules or Exhibits attached to this Agreement are incorporated herein by this reference.

13.14 **Further Assurances**. Each Party agrees to execute and deliver such additional documents and instruments as may reasonably be required to effect this transaction fully, so long as the terms thereof are consistent with the terms of this Agreement.

13.15 **No Third Party Beneficiaries**. This Agreement is made and entered into for the sole protection and legal benefit of the Parties and, subject to the restrictions on assignment set forth herein, their respective successors and assigns, and no other person or entity shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement.

13.16 **Time**. If any date upon which some action, notice or response is required of any Party hereunder occurs on a weekend or national holiday, such action, notice or response shall not be required until the next succeeding business day.

13.17 **Time Is of the Essence**. Time is of the essence with respect to all terms, provisions, covenants and conditions contained in this Agreement.

13.18 **Force Majeure**. "**Force Majeure**" means any event or condition which wholly or partially delays or prevents such Party from performing any of its obligations hereunder and is beyond the reasonable control of, and occurs without the fault or negligence of, the Party affected thereby including, without limitation, acts of God, acts of the public enemy, insurrections, riots, labor disputes, labor or material shortages, fires, explosions, floods, breakdowns of or damages to plants, equipment or facilities, interruptions to transportation, embargoes, or orders or acts of any court or government authority having jurisdiction or any military authority. If, as a result of Force Majeure, it becomes impossible or impractical for either Party to carry out its obligations hereunder (other than any obligation to pay money when due in accordance with the terms of this Agreement) in whole or in part, then such obligations shall be suspended to the extent necessary by such Force Majeure during its continuance. The Party affected by such Force Majeure shall give prompt written notice to the other Party of the nature and probable duration of such Force Majeure, and of the extent of its effects on such Party's performance hereunder. Each Party shall, in the event it experiences Force Majeure, use all commercially reasonable efforts to eliminate such Force Majeure and/or its effects on such Party's performance hereunder insofar as is practicable and with all reasonable dispatch; provided, that neither Party shall be obligated to expend monies in order to eliminate Force Majeure and/or its effects, if in such Party's sole judgment, such expenditures would be economically unjustifiable.

13.19 **Joint and Several Liability**. If Permittee is comprised of more than one person or entity, then each of such persons or entity shall be jointly and severally liable for the performance of Contractor's obligations under this Agreement, and for any default on the part of one or more of the persons or entities comprising Permittee.

13.20 **Equal Opportunity Employer**. Permittee warrants that with respect to terms and conditions of employment, including but not limited to hiring, promotions, wages, hours, and fringe benefits, purchaser will not discriminate against any person on the basis of race, physical or mental handicap, creed, religion, sex, or national origin.

13.21 **Transacting Business**. Neither Party shall transact any business or carry on any work or purchase any supplies or equipment in the name of the other Party.

13.22 **Additional Exhibits**. In addition to any other exhibits referenced by and incorporated into this Agreement, the following exhibits are attached hereto and are incorporated herein: _____
_____.

EXHIBIT A

Description of the Premises

Landowner's lands along the north side of Glenwood Highway in Sections 8, 9, 10, 14, 15, 23, 24, and 25 of T6N, R13E, W.M., all in Klickitat County, State of Washington.

EXHIBIT C

Description of Permittee's Operations

Roadside fuel reduction operations to be performed:

1. Dead and down material up to 10 inches in diameter will be chipped and the chips scattered over the work site.
2. The limbs of dead and down trees greater than 10 inches in diameter will be removed and chipped and the remaining trunk will be left in place unless several trees have created a piled concentration. In this case, the remaining tree trunks will be separated by at least 10 feet from any other logs and left on site.
3. Standing dead trees with red needles still attached shall be felled and treated using the dead and down prescription as required in item 1 and 2 above.
4. Snags will be felled if within 50 feet of another snag and will be treated using the dead and down prescription as required in item 1 and 2 above. Snags that pose a hazard to crews working in the area will be felled.
5. The Contractor will not cut any green trees from the premises that are greater than 8-inch diameter at breast height without prior approval from the Landowner.
6. Trees 8 inches and greater in diameter (DBH) will be pruned (live and dead limbs) up to a height of 15 feet. Limbs will be pruned when branches are larger than 2 inches diameter (regardless of length) or greater than 2 feet in length (regardless of diameter). No pruning will be done to a height greater than 50% of total tree height. The cut limbs will be chipped on site.
7. Trees less than 8 inches DBH will be spaced leaving 2 feet - 5 feet between crowns. Live and dead limbs will be pruned up to a height of 15 feet. Limbs will be pruned when branches are larger than 2 inches diameter (regardless of length) or greater than 2 feet in length (regardless of diameter). No pruning will be done to a height greater than 50% of total tree height. The cut limbs and stems will be chipped on site. Trees < 3 feet high do not require pruning.
8. Non-coniferous brush will be cut and chipped on site unless islands are pre-designated or agreed to by the contract administrator or his designee.
9. Ground disturbance from machinery use shall not exceed 15% on each acre and berms, ruts and other operator caused ground disturbance will be smoothed out to original contours before leaving the immediate work area.
10. Chip will be dispersed evenly across the site not to exceed a depth greater than 4 inches.

EXHIBIT D

Insurance Requirements

[Attached]

Insurance Requirements

(Form 1 – Broad Form)

(a) Before commencing Operations, Permittee, at its sole cost and expense, shall carry and maintain continuously throughout the term of this Agreement, a policy of commercial general liability insurance insuring against the following in amounts as set forth below: operations and completed operations; independent contractors; blanket contractual liability (including liability assumed under the indemnification paragraph of this Agreement); explosion; collapse; and underground damage if blasting or excavation is to be done; and automobile liability insurance covering owned, hired and non-owned vehicles (including the "pollution from autos endorsement," ISO Form CA 99 48).

INSURANCE MINIMUM LIMITS

General Liability, Contractual and Completed Operations Coverage
Bodily Injury - **$1,000,000** each occurrence
$2,000,000 aggregate
Property Damage - **$1,000,000** each occurrence
$2,000,000 aggregate

Automobile Liability Coverage
Combined Single Limits of **$1,000,000**

Broad Form B Logging Property Damage Coverage
With Limits of Not Less Than
$1,000,000 each occurrence

All such policies of insurance shall name each of the Indemnified Parties as an "Additional Insured" (ISO Form 2026 1185 CG or equivalent) and contain a provision that the same shall not be canceled nor the coverage modified nor the limits changed without first giving at least thirty (30) days written notice thereof to Landowner. The aggregate insurance limits will be specific to this Permit. The coverages will be primary, exclusive of any coverage carried by the Indemnified Parties, and will be exhausted first notwithstanding that the Indemnified Parties may have other valid and collectible insurance covering the same risk. Nothing herein contained will limit the Permittee's liability to the Indemnified Parties to the scope or the amount of the insurance coverage. Such policies of insurance shall be written by duly licensed insurance companies satisfactory to Landowner in Landowner's sole and absolute discretion and certificates of insurance evidencing the coverage required shall be provided to Landowner by personal delivery or mail, to the address set forth on the first page of this Agreement. All subcontractors and owners of vehicles or other equipment used in connection with the performance of this Permit or Permittee's operations must also meet the same insurance requirements provided in this Exhibit, and Permittee is responsible to ensure that these requirements are met. Permittee will supply Landowner with evidence of insurance indicating Permittee's compliance with these insurance requirements (Acord 25-S or in such other form as Landowner may deem acceptable), together with copies of all required endorsements. In the

event Permittee fails to supply Landowner with such evidence within five (5) business days after receiving such request, Landowner may immediately terminate this Permit without further action.

(b) Permittee shall also carry state or private industrial accident insurance covering Permittee and all its employees that must fully comply with State and Federal Employment and Workers' Compensation laws. Permittee's employer's liability insurance will cover Permittee and all of its employees and will have minimum limits of One Million Dollars ($1,000,000) per occurrence. The premiums, deductibles and other costs for all insurance required under this Agreement shall be the obligation of and paid for by Permittee and/or its subcontractors.