

FOR HFM USE ONLY

Contract No. VNEH-WA-13-001

Permittee Name Pacific County, Dept of Public Works

Initiator Approval _____

Manager Approval _____

ACCESS PERMIT

THIS ACCESS PERMIT ("Permit") is made and entered into as of the 1st day of January, 2013, by and between **HTVII QRS Trust**, (individually and collectively "**Landowner**"), acting by and through its property manager and limited agent, Hancock Forest Management Inc. ("HFM"), whose address is 17700 SE Mill Plain Blvd, Ste 180, Vancouver, WA 98683 and Pacific County, Department of Public Works ("Permittee"), whose address is PO Box 66, South Bend, WA 98586-0066. This Permit consists of the terms and conditions set forth following the signatures of Landowner and Contractor (individually, a "**Party**" and collectively, the "**Parties**") listed below.

LANDOWNER

HRVII QRS Trust

By: Hancock Natural Resource Group, Inc.,
their Investment Manager

By: _____

Title: _____

Date: _____ 20__

PERMITTEE

Pacific County, Department of Public Works

By: _____

Title: _____

Date: _____ 20__

Certificate of Ins. #: N/A

Fed ID#: 91-6001356

Workers' Comp. #: 004,040-00

UBI #: 254 000 662

Timber Operator #: N/A

EXHIBITS:

- Exhibit A: Description of the Premises
- Exhibit B: Map of the Premises
- Exhibit C: Description of Permittee's Operations
- Exhibit D: Insurance Requirements

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 a certain road (the "**Road**") constructed on the land owned by Landowner and described in Exhibit A (the "**Premises**"), and located approximately as shown on Exhibit B attached hereto, but only as reasonably necessary for the purpose of access, location, construction, installation, maintenance, repair and operation of a communication facility located in Section 3, Township 9 N, Range 10 W, W.M., Pacific County, Washington (the "**Operations**"). The Premises are part of certain land (the "**Managed Land**") owned by Landowner and managed by HFM. Permittee shall use and maintain the Road in a business like and efficient manner, in accordance with industry standards and all requests of Landowner, and shall keep and observe all state and federal laws, rules and regulations now or hereinafter applicable to any operations and to the employment of labor with respect thereto including without limitation, laws, rules and regulations pertaining to protection and conservation of fish and game and the prevention of pollution of any streams and water sources. Permittee shall secure all licenses and permits and file all notices by law required relating the Permittee's performance hereunder, and shall provide to Landowner evidence of compliance with said requirements.

2. TERM

This Permit is for an initial term of three (3) years commencing on January 1, 2013, and terminating on December 31, 2015. This Permit may be extended for additional three (3) year terms, after review and consideration of the terms, conditions and fees of by the parties hereto. Either party may elect to terminate this Permit at any time by giving notice of its election to terminate at least thirty (30) days prior to the date of termination.

3. MONETARY CONSIDERATION

For and in consideration for the rights granted under this Permit, Permittee shall pay Landowner the sum of \$N/A for the use of Landowner's Road.

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 HFM 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. The parties agree that in consideration of this Permit, and the detailed inspection of the Road made by Permittee prior to the execution hereof, Permittee waives any and all claims to any damage or damages by reason of death or injury to any party, caused by reason of acts of nature, latent defects of existing structures and conditions of the Road, roads or any equipment thereon. The parties further agree that Permittee is aware that Landowner may engage in felling, cutting, hauling away of trees, and other forest products situated and growing upon the Managed Land, and it shall be the duty of Permittee to take care to be aware of and avoid those areas of on which logging or similar operations are taking place until advised in writing by Landowner. Landowner shall not be liable for any injury or death caused by failure of Permittee, its agents, servants and employees to so act.

5. INDEMNIFICATION.

5.1 Notwithstanding anything herein to the contrary, to the fullest extent allowed by law Permittee agrees to reimburse, indemnify, defend and hold harmless, *Landowner, HFM, Hancock Natural Resource Group, Inc., and Manulife Financial Corporation* 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 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, 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 outside counsel reasonably acceptable to Landowner or by the appointment of the County Prosecutor or his/her staff attorney) against any and all actions, suits or other legal proceedings that may be brought or instituted against any of the Indemnified Parties, the Premises, 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, or the Managed Land in any such action, suit or legal proceeding which may result therefrom.

5.2 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.

5.3 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 Permit 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 rules and regulations now existing or hereafter made by Landowner which are applicable to all other users of the Road. In addition, 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 with 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 The Road, as currently developed, shall be repaired and maintained in its current condition, subject to the terms of this Permit, including, without limitation the terms and conditions set forth in attached Exhibit C. 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 Permit shall survive the expiration or termination of this Permit. All provisions of this Permit that contemplate performance after the expiration or termination of this Permit, 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 Permit and be fully enforceable thereafter.

13.2 **Binding Effect.** The provisions of this Permit 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 Permit 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 Permit 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 Permit, 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 Permit 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 Permit shall be binding on a Party unless it is set forth in writing and signed by such Party.

13.6 **Amendment.** This Permit 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 Permit 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 Permit 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 Permit, either written or oral, express or implied, that are not set forth in this Permit or in the Schedules to this Permit.

13.9 Governing Law; Venue. This Permit shall be governed by and construed in accordance with the laws of the state in which the Premises are located (without regard to the principles thereof relating to conflicts of laws) and venue shall be in Clark County, Washington, if the Premises are located in Washington, or Multnomah County, Oregon, if the Premises are located in Oregon, or Kootenai County, Idaho, if the Premises are located in Idaho.

13.10 Construction and Interpretation. The headings or titles of the sections of this Permit are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Permit; references herein to sections are to sections of this Permit unless otherwise specified. Meanings of defined terms used in this Permit 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 Permit as a whole and not to any particular provision of this Permit, (ii) the term “**this transaction**” refers to the transaction(s) contemplated by this Permit, and (iii) the term “**including**” is not limiting and means “**including without limitation**.” In the event any period of time specified in this Permit ends on a day other than a business day, such period shall be extended to the next following business day. All provisions of this Permit have been negotiated at arm’s length and this Permit 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 Permit is invalid or unenforceable, the court’s determination should not affect the validity or enforceability of the remaining provisions of this Permit. In such event, this Permit 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 Permit to the extent that it is otherwise enforceable under the laws of any other applicable jurisdiction

13.12 Execution and Authority. This Permit 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 Permit that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Permit with the original ink signature of the transmitting Party. This Permit 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 Permit on behalf of a Party warrants his or her authority to do so.

13.13 Recitals, Exhibits and Schedules. The Recitals to this Permit and any Schedules or Exhibits attached to this Permit 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 Permit.

13.15 **No Third Party Beneficiaries.** This Permit 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 Permit.

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 Permit.

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 Permit) 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 Permit, 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 Permit, the following exhibits are attached hereto and are incorporated herein: _____

13.23 **Several Liability.** If there is more than one Landowner, the liability of the Landowners under this Permit is several and not joint and with respect to each Landowner is limited to the obligations of a Landowner for the portion of the Premises subject to this Permit that is owned/leased by such Landowner.

EXHIBIT A

Description of the Premises

A portion of Section 9 and all of Section 10, T9N, R10W, WM, Pacific County, Washington

EXHIBIT B

Map of the Premises

Exhibit B Map of the Premises

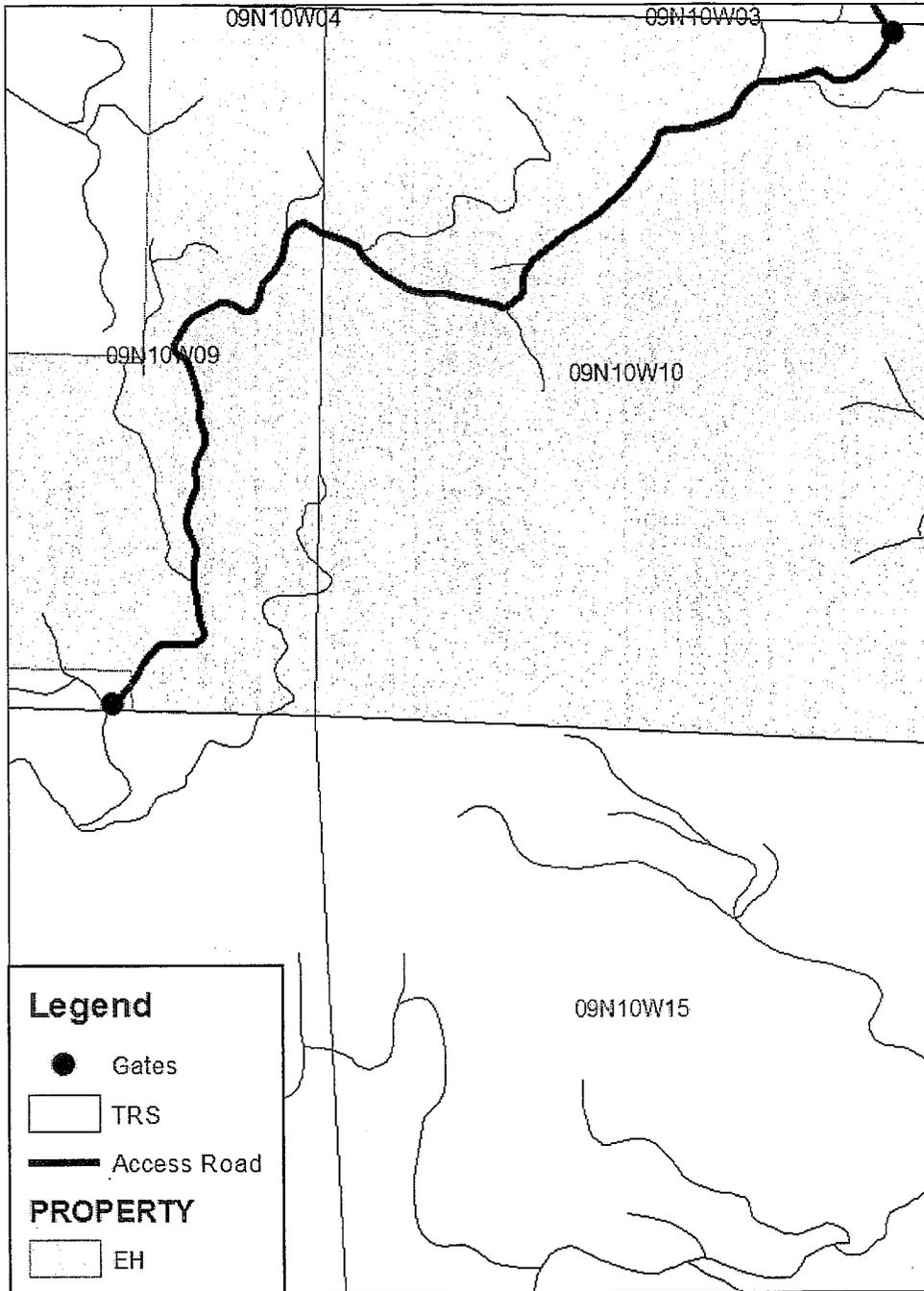


EXHIBIT C

Description of Permittee's Operations

Road Use and Maintenance

The Road, as currently developed, shall be repaired and maintained in its current condition, subject to the terms of this Permit, including, without limitation the terms of this Exhibit C. Parties hereby agree that they shall share in the cost of repairs and maintenance to the Road as follows:

1. Landowner and Permittee shall each pay for the cost of repairs and maintenance of the Road, due to damages caused by the respective party.
2. Landowner and Permittee shall have the right to perform work upon the Road at any time without the consent of the other party hereto, so long as the work does not block travel along the Road. However, the cost of such work shall not be reimbursed unless the parties have mutually approved the work in the manner herein provided.
3. With respect to all operations in connection with which a party exercises any right granted hereunder, such party shall comply with and observe all laws, rules and regulations of the United States, the State of Washington, the applicable county, or any other governmental conservation practices and the prevention, suppression and control of fire, and all valid regulations and orders of government officials and their duly appointed or designated representatives pertaining thereto.
4. Each party using the Road shall repair, or cause to be repaired, at its sole cost and expense, any damage to the Road occasioned by it which is in excess of that which it would cause through normal and prudent usage of the Road.

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 Permit. At Landowner's request, Permittee will supply Landowner with evidence of such compliance. 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 Permit shall be the obligation of and paid for by Permittee and/or its subcontractors.

(c) Permittee hereby agrees to defend and to indemnify the Indemnified Parties and to pay all claims and losses, on the same basis and to the same extent as set forth in this Permit and as would be the case in the event Permittee did not self-insure any of the insurance requirements of this Permit. Permittee hereby assumes the risks of and shall pay from its assets all claims (and related costs and expenses) if and to the same extent that a third-party insurance company would have paid those amounts if the insurance company had issued the insurance policies required by the provisions of this Permit; this provision shall not limit the liability of Permittee to the amount of insurance otherwise stated herein. To the extent that this Permit requires the maintenance of insurance policies and to the extent that Permittee self-insures the required coverages, then Permittee shall be deemed to have self-insured such coverages on the same basis as, and pursuant to the terms of, the policies of insurance that Permittee's insurer would have issued to Permittee in the event Permittee had insured such risks through Permittee's insurer. In the event Permittee discontinues its self-insurance program or in the event any of the above listed conditions cease to exist, Permittee shall provide to HFM immediate written notice of such event, accompanied by evidence of third-party insurance as required by this Permit.