Procedure: PW 006-1 Resource Industry Access

Reference: PW 006

A. Background

Due to intense growth in the resource sector the management of road use conflicts and damages has become difficult. This provides for risk management tools, binding agreements, hold harmless and security requirements consistent with both current standards and other policy.

Road construction to facilitate resource access is beyond the County's ability to plan and budget for. Access required by the oil and gas industry often has a short planning, development and use cycle.

B. Definitions

<u>Developed Road</u> – a road constructed to meet current County design and construction standards. A developed roadway receives routine scheduled maintenance and is gravel or oil surfaced.

<u>Partially Developed Road</u> – is defined as a road within a statutory road allowance or a registered road plan that has been constructed to provide seasonal access. This type of roadway does not meet current County construction standards. A partially developed road allowance may be described as:

- has a partially developed running surface
- the right of way has been fully or partially brushed
- minimum provision for drainage may exist
- receives scheduled summer maintenance, may not be accessible during wet conditions and receives no winter maintenance
- includes "sand" or "dirt" roads as shown on County mapping
- typically they provide low intensity agricultural field access

<u>Undeveloped Road</u> – is defined as a road within a statutory road allowance or a registered road plan that is not constructed to provide public access. Evidence of past or present access may exist. An undeveloped road allowance may be described as:

- Fully or partially treed
- No maintenance
- Having evidence of minimal past traffic use (ie. compacted wheel paths, in organic soils).
- Historical use may have been limited to seasonal access for agricultural purposes (ie. cattle movement, access to water, etc).

<u>Approach</u> – is defined as a short section of road constructed off an undeveloped, partially developed or fully developed road to provide access to an adjacent property.

C. Application

Application for the use and development of an approach, a partially developed road or an undeveloped road is to be submitted in letter form complete with site survey plan.

A resource industry company requiring access off an undeveloped or partially developed road allowance will be required to meet with the Public Works Administrative Coordinator (Industry Liaison) or designate to evaluate minimum access requirements.

In the event that any repairs or improvements to the municipal road allowance are required, the resource industry company shall be responsible to carry out the work as directed in one of the following agreements:

Form A – Resource Road Construction Agreement

Form B – Road Use Agreement

D. Phased Construction

Due to the nature of the industry, oil/gas access may require construction of a road in phases. Initial access may be required to prove the economic viability of the target resource. The intent of phased construction is to minimize:

- soil and shelter belt (natural or planted)disturbance
- conflicts with agricultural access/ development

At the discretion of the Public Works Administrative Coordinator (Industry Liaison) or designate, provisions for the construction to occur in phases will be provided in a formal agreement - Form A – Resource Road Construction Agreement.

Phased construction if approved can generally be described in two phases:

- 1. **Phase #1:** Exploratory Access This type of access would only be approved for a three (3) month period. The intent is that within 3 months either the access would be reclaimed (i.e. topsoil replaced, seeding, etc.) or permanent access is scheduled to be established. Provision for this phase of construction must include:
 - ongoing or existing agricultural access must be maintained
 - provide a stable grade for all weather conditions of use
 - installation and maintenance of approved construction signage
 - company identifier signage (company name and contact)
 - if required the minimum stripping width is 10 meters. Soil conservation (stripping & storage of topsoil), in accordance with the Alberta Environmental Protection Enhancement Act (AEPEA).
 - tree/brush removal and disposal (burn and bury)

For requirements on signage, tree/brush removal and soil conservation refer to Schedule B – Machine Road.

If permanent access is not required reclamation of soils and natural drainage must be ensured. Reclamation must be completed as soon as possible, within 12 months from the date of the agreement.

Given extenuating circumstances, the period of the exploratory phase may be extended.

2. **Phase #2:** Permanent Access – construction, meeting the minimum standards presented in Schedule B – Machine Road. Construction must occur within six (6) months from date of the agreement.

At no time should agricultural access be impacted.

Provision for this phase of construction must include:

- provide a minimum 7 meter wide road grade, minimum 0.5 meter in depth of clay, being stable for all conditions of use (all seasons)
- provide a gravel treated surface course (minimum 30 mm in depth and minimum 7 meters in width). Gravel specifications utilized must be 1 ½ inch (4:40) for base strength
- installation and maintenance of approved construction signage
- company identifier signage (company name and contact)
- the minimum stripping width is 10 meters. Soil conservation (stripping & storage of topsoil), in accordance with the Alberta Environmental Protection Enhancement Act (AEPEA).
- both natural (i.e. streams) and roadway (created or carried by the road slope) drainage must be addressed. Culverts will be a minimum of 400 mm in diameter.
- tree/brush removal and disposal (burn and bury)

For all other requirements refer to Schedule B – Machine Road.

Additional conditions may be applied to address site specific conditions (i.e. fencing, soil storage/disposal, material availability, etc.). Work extending outside the right-of-way (i.e. crop disturbance) must be by agreement between the company and the affected landowners.

Once construction has been completed the work will have a one year warranty period, at the end of this period the work will be inspected and if the conditions within the agreement are fulfilled, the security will be returned.

E. Use of a Partially Developed Road Allowance

Partially developed roadways provide seasonal machine access for agricultural purposes and receive minimal traffic loading. Road damage, maintenance and/or repair costs experienced through intensified oil/gas field access are viewed as an unacceptable burden to the Municipality.

The oil/gas industry will be required to enter into a formal agreement (Form B – Road Use Agreement) in order to utilize a partially developed road allowance.

Provision for the use of a partially developed road allowance may include:

- Provide a stable grade for all weather conditions of use
- installation and maintenance of approved construction signage
- company identifier signage (company name and contact)
- if required, the minimum stripping width is 10 meters. Soil conservation (stripping & storage of topsoil), in accordance with the Alberta Environmental Protection Enhancement Act (AEPEA).
- tree/brush removal and disposal (burn and bury)
- road surface may require aggregate materials for grade stabilization
- drainage improvements may be required, including culvert installation

F. Agreement Security

Security for agreements can be found in the fees and charges manual.

Security may be in the form of a cheque, money order, or an irrevocable letter of credit, payable to the County on demand by the County.

CAO Approval:	Date: July 11, 2011



Form A

Resource Road Construction Agreement

File#	
THIS AGREEMENT executed a, 2	nd dated for reference this day of
BETWEEN	AND
Flagstaff County Box 358 Sedgewick Alberta T0B 4C0	(the "Company", "you" or "your" as applicable)
County Representative:	Company Representative:
Phone:	Phone:
Agree to construct works on:	
	(the road allowance)
	nd conditions the County grants the Company, its employees is subcontractors, access and use of the road allowance to
्री Roadway	, Approach
(herein de	escribed as the "Work" or the "Worksite")

The work must be performed to the minimum County standards and specifications. The following standards and specification(s) form part of this Agreement (attached).

- ش Approach Construction (Schedule A, standard drawing)
- ت Design and Construction Standards (Schedule B, Machine Road)

The work: ¶may occur in stages may not occur in stages (see clause 1 of attached general conditions)

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written.

of the County	SIGNED AND DELIVERED on behalf of the Company
(Authorized Signing Authority)	(Company Authorized Signing Authority)
Trina Lassu – PW Admin. Coordinator (PRINTED NAME of above)	(PRINTED NAME of above)

TERMS AND CONDITIONS

- 1. The Company shall provide <u>48 hours notice prior to commencement of the Work</u>. Time shall be deemed to be material and of the essence of this Agreement. Progression or continuity of Work must be maintained.
 - All Work hereunder shall be performed in a workmanlike manner, and unless otherwise specified the Company shall use only the best materials of their kind.
- 2. The Company shall provide security of \$6,000 CDN along with the signed Agreement to the County prior to commencement of the Work. Should the Company anticipate multiple projects within the County, security blanketing the entire County may be provided in the following amounts:

Less than 5 projects \$15,000.00Greater than or equal to 5 projects \$25,000.00

Security may be in the form of cheque, money order, or irrevocable letter of credit, payable to the County on demand by the County.

In the event that the County is of the option that:

- a) the Company is in default or breach of any provision of this Agreement; and such default continues for a period of thirty (30) days after receipt of notice from the County to remedy such default or the Company fails to remedy the default with all due diligence thereafter;
- the County has been required to repair any deficiencies in the road allowance in accordance with the provisions of this Agreement and the Company has failed to pay the costs and expenses of such repair within thirty (30) days after receipt from the County of an account therefore;
- emergency repair work has been done to the road allowance by the County in accordance with the provisions of this Agreement and the Company fails to pay the costs and expenses of such repair work within thirty (30) days after receipt from the County of an account therefore;
- d) the Company by any act or omission is in default of any term, condition or covenant of this Agreement; and such default continue for a period of thirty (30) days after receipt of notice from the County to remedy such default or the Company fails to remedy the default with all due diligence thereafter; or
- e) the security to be provided by the Company to the County pursuant to this Agreement is due to expire within a period of sixty (60) days and the Company has not deposited with the County, a renewal or replacement of such security in terms and form acceptable to the County;

the County may invoke the provisions of this Section, and cash or make demands as payee and beneficiary under the cheque, money order, or irrevocable letter of credit provided by the Company to the County, pursuant to the requirements of this Agreement.

In the event that the County has negotiated or called upon the security to be deposited by the Company with the County, the County may, at its opinion and discretion, use any funds

thereby obtained in any manner the County deems fit to discharge the obligations of the Company pursuant to this Agreement.

- 3. The Company for the purpose of this Agreement will be deemed an independent contractor and not the servant, employee or agent of the County.
- 4. In signing this Agreement, the Company agrees to conform and comply with all conditions set forth in the Occupational Health and Safety Act and Regulations pursuant thereto, and to pay all assessments pursuant to the said Act. Under this Agreement the Company is deemed the "prime contractor".
- 5. The Company shall not, without first obtaining the written consent of the County, make any assignment or award any subcontracts for the performance and execution of the Works under this Agreement.

The Company will not in any manner whatsoever commit or purport to commit the County to the payment of any money to any person, firm or corporation.

GENERAL CONDITIONS

1. Phased Construction

If the Work is approved to occur in stages (only for road works, not approaches) the approved Work is defined as:

Phase #1: Exploratory Access –This type of access would only be approved for a three (3) month period. The intent is that within 3 months either the access would be reclaimed (i.e. topsoil replaced, seeding, etc.) or permanent access is scheduled to be established. Work approved for the exploratory access must include:

- ongoing or existing agricultural access needs must be maintained
- provide a stable grade for the conditions of initial use
- installation and maintenance of approved construction signage
- company identifier signage (company name and contact)
- the minimum stripping width is 10 meters. Soil conservation (stripping & storage of topsoil), in accordance with the Alberta Environmental Protection Enhancement Act (AEPEA).
- tree/brush removal and disposal (by burn and bury)

If the Work is terminated at the end of the exploratory access stage reclamation of the site must be completed (meeting Provincial regulations/ standards) within six months of the execution of this Agreement. Variances to this term must be approved in writing.

Phase #2: Permanent Access – Provision for this phase of construction must include:

- provide a minimum 7.0 meter wide road grade, minimum 0.5 meter depth if in clay, being stable for all conditions of use (winter and summer)
- provide a gravel treated surface course (minimum 30 mm in depth and minimum 7 meters in width). Gravel specifications utilized must be 1 ½ inch (4:40).
- installation and maintenance of approved construction signage
- company identifier signage (company name and contact)

- the minimum stripping width is 10 meters. Soil conservation (stripping & storage of topsoil), in accordance with the Alberta Environmental Protection Enhancement Act (AEPEA).
- both natural (i.e. streams) and roadway (that created or carried by the road slope) drainage must be addressed. Culverts must be a minimum of 400 mm in diameter.
- tree/brush removal and disposal (by burn and bury)

For all other requirements refer to **Schedule B – Machine Road**. The Work must be completed within six months of the execution of this Agreement. Additional conditions may be applied to address site specific conditions (i.e. fencing, soil storage/disposal, material availability, etc.).

All approaches (including culverts) installed during the exploratory and permanent access stage must be removed after reclamation. Approaches to developed roadways must be constructed to meet the specification presented in **Schedule A of Policy PW004** (Approach Construction – Standard Drawing)

2. Drainage, Reclamation, Brushing and Stripping

All brush removed from the Worksite must be burned and buried within three months of execution of this Agreement. Brush shall not be buried within 2 meters of the planned traveled portion of the road allowance/approach (ie outside of 5 m either side of the center line). The stripping (removal of organic soils) depth will be that required to reach a stable clay base. "Corduroying" (use of logs) is not permitted. Grade and sub-grade stabilization is to be achieved only through the use of proven soil fabrics and/or suitable imported fill (clay or granular material). Natural drainage paths must be preserved. Roadway drainage must also be addressed.

Organic soils (topsoil) must be removed and stored using a method that would facilitate replacement / reclamation. Reclamation will include seeding with a suitable pasture mix that will be determined by consultation between the Company and the County.

3. Public Access /Maintenance and Repair

Any deficiencies (grade failures, culvert failures, etc.) in the Work noted within one (1) year acceptance of the Work by the County, must be repaired (by the Company) at the Company's cost as soon as practicable. After this one year maintenance period has expired, the Work will be maintained by the County to facilitate public use and access. As soon as practicable the Company must notify the County of any repair and maintenance requirements with the Work.

The County will perform the required remedial work either on notice by the Company or on its own initiative (if not reported).

The Company agrees that if damage or destruction to the Worksite, as determined by the County acting reasonable, results from exercise by the Company and its servant, agents, employees, contractors and subcontractors of the rights herein granted, the Company shall, at the County's request, restore the Worksite to its previous condition. If the Company fails to comply with such instruction within a reasonable time, the County may restore the Worksite to its previous condition at the expense of the Company.

After the maintenance period has expired, at no time is the Company to perform maintenance, repair or upgrade work within the Worksite unless the County provides written authorization to the Company for such work.

4. Use Conflicts

Where the Company during its term of use experiences a conflict by other resource sector users they must take all practicable efforts to negotiate (or participate in negotiations) an equitable solution (ie. share of maintenance/repair costs). Where an equitable solution between the parties cannot be reached the County reserves the right to the final decision.

5. Public Conflict

The Company will not, during the term, perform a service for any person, firm or corporation where the performance of the service may or does, in the reasonable opinion of the County, give rise to a conflict of interest between the obligations of the Company to the County under this Agreement and the obligations of the Company to such other person, firm or corporation.

6. Agricultural Disturbance

The Company is responsible to mitigate, address and correct any and all damage or disturbance to adjacent lands / landowners that may be caused carrying out the Works under this Agreement. This may include but is not limited to:

- Fence damage or requirements
- Crop disturbance
- Required cattle movement
- Dust Control

7. Regulations

The Company shall keep himself fully informed of and shall comply with all applicable municipal, provincial and federal legislation and regulations.

8. Permits and Regulations

The Company shall, at his own expense, obtain all required permits necessary to complete the Work. Upon request, the Company shall provide the County with proof of having obtained such permits.

9. Taxes

The Company shall be responsible for payment of provincial, municipal or federal taxes in force during the progress of the Work.

10. Workers' Compensation Board Coverage

The Company shall, at its own expense, obtain Workers' Compensation Board coverage for itself, all workers and any shareholders, directors, partners or other individuals employed or engaged in the execution of the Work, and shall comply with all conditions of the Occupational Health And Safety Act and Regulations there under. Upon request, the Company shall provide the County with proof of such compliance.

11. Site

The Company shall confirm that it has visited the Worksite and is familiar with all conditions pertaining thereto.

12. Work Area

All Work is to be confined to "the area" as defined and/or ordered by the County. The "area" is the Worksite and shall be survey staked to clearly indicate the limits.

13. Indemnity / Insurance

Notwithstanding the provision of any insurance coverage by the County, the Company hereby agrees to indemnify and save harmless the County, its successor(s), assign(s) and authorized representative(s) and each of them from and against losses, claims, damages, actions and causes of action (on a solicitor and his client full indemnity basis)(collectively referred to as "Claims"), that the County may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, that arise out of:

- a) any errors, omissions or negligent acts of the Company or its employee(s),agent(s), subcontractor(s), or authorized representative(s) arising from the subject matter of this Agreement; or
- b) any default or breach of any provision of this Agreement;

except always that this indemnity does not apply to the extent, if any, to which the Claims are caused by errors, omissions or the negligent acts of the County, its other contractor(s), assign(s) and authorized representative(s) or any other persons.

Notwithstanding the other provision of the Section, with regard to the subject matter of this Agreement, neither the County nor the Company shall have any liability to the other for any loss of profit or consequential or indirect damages suffered by the other.

The Company shall provide, maintain and pay for Commercial General Liability insurance protecting the County and the Company from and against any and all claims which may arise out of the Company's performance of the Work:

- i) The amount of such insurance shall be not less than \$2,000,000 inclusive of any one occurrence,
- ii) The Company shall provide the County with evidence of such insurance prior to the commencement of Work under this Agreement; and
- iii) The Commercial General Liability insurance shall name the County as Additional Insured.

14. Superintendence

The Company shall give efficient and effective supervision to the Work, using its best skill and attention. The Company shall carefully study and compare all specifications and other instructions, and shall at once report to the County any error, inconsistency or omission which it may discover, but it shall not be held responsible for their existence or discovery.

Notwithstanding the provisions contained herein the County may, from time to time, give such instructions to the Company as it considers necessary in connection with the progression of the Work, but the Company will not be subject to the control of the County in respect of the manner in which such instructions are carried out.

15. Inspection of Work

The County shall at all times have access to the Worksite, and the Company shall provide proper facilities for such access and for inspection. If any Work shall be covered up without the approval or consent of the County, it must, if so required by the County, be uncovered for examination, at the Company's expense.

Once construction has been completed the Work will have a one (1) year warranty period after acceptance of the Work by the County. At the end of this period, the Work will be inspected and if the conditions within the Agreement are fulfilled, the security will be returned to the Company.

Please contact the County Office at (780) 384-4110 upon completion of road construction/upgrade project for final site inspection.
Final Inspection Date:
Signature of Inspection Authority:

16. Defective and Damaged Work

At any time during the progression of the Work, and including a period of one (1) year after the completion thereof, the Company shall rectify any defective or damaged work at its own expense, to the satisfaction of the County.

17. Clean-up

The Company shall at all times keep the Worksite free from any accumulation of waste material or rubbish. Upon completion of the Work, the Company shall remove all rubbish from and about the Worksite, and shall leave the Work in a clean and tidy manner.

18. Damages for Non-Completion

The County may cancel the Agreement in case of failure by the Company to comply with the terms and conditions of this Agreement.

19. Non-Waiver

No provision of this Agreement and no breach by the Company of any such provision will be deemed to have been waived unless such waiver is in writing and signed by the County. The written waiver by the County of a breach of any provision of this Agreement by the Company will not be deemed a waiver of such provision or of any subsequent breach of the same or any other provision of this Agreement.

20. Survival of Terms

Upon termination of this Agreement, all applicable rights and obligations as between the County and the Company shall terminate except that the Company shall remain liable to the County for all of its obligations and liabilities arising pursuant to the Agreement prior to the date of such termination, including but not limited to the indemnity to the County under Section 13 of the General Conditions.



Form B

Road Use Agreement

	File#
THIS AGREEMENT executed and dated for r	reference thisday of20
BETWEEN	AND
Flagstaff County Box 358, Sedgewick Alberta T0B 4C0	(the "Company", "you" or "your" as applicable)
County Representative	Company Representative:
Phone:	Phone:
	d or roads)
•	ons the County grants you use of the road(s).
(herein describe	ed as the "Use")
The termination of this agreement will be upo	n 30 days written notice by either party.
IN WITNESS WHEREOF the parties hereto habove written.	nave duly executed this Agreement as of the day and year firs
SIGNED AND DELIVERED on behalf of the County	SIGNED AND DELIVERED on behalf of the Company
(Authorized Signing Authority)	(Company Authorized Signing Authority)
(PRINTED NAME of above)	(PRINTED NAME of above)

TERMS AND CONDITIONS

1. The Company shall provide 48 hours notice prior to commencement of Use. Security required by County policy must be in place prior to Use.

2. The Company shall provide security of \$1,500 CDN along with the signed Agreement prior to commencement of Use. Should the Company anticipate multiple projects within the County, security blanketing the entire County may be provided in the following amounts:

Less than 5 projects \$15,000.00
 Greater than or equal to 5 projects \$25,000.00

Security may be in the form of cheque, money order, or letter of credit, payable to the County on demand by the County.

In the event that the County is of the opinion that:

- a) the Company is in default or breach of any provision of this Agreement; and such default continues for a period of thirty (30) days after receipt of notice from the County to remedy such default or the Company fails to remedy the default with all due diligence thereafter;
- b) the County has been required to repair any damage in the road allowance in accordance with the provisions of this Agreement and the Company has failed to pay the costs and expenses of such repair within thirty (30) days after receipt from the County of an account therefore:
- emergency repair work has been done to the road allowance by the County in accordance with the provisions of this Agreement and the Company fails to pay the costs and expenses of such repair work within thirty (30) days after receipt from the County of an account therefore;
- d) the Company by any act or omission is in default of any term, condition or covenant of this Agreement; and such default continues for a period of thirty (30) days after receipt of notice from the County to remedy such default or the Company fails to remedy the default with all due diligence thereafter; or
- e) the security to be provided by the Company to the County pursuant to this Agreement is due to expire within a period of sixty (60) days and the Company has not deposited with the County, a renewal or replacement of such security in terms and form acceptable to the County;

the County may invoke the provisions of this Section, and cash or make demands as payee and beneficiary under the cheque, money order or irrevocable letter of credit provided by the Company to the County, pursuant to the requirements of this Agreement.

In the event that the County has negotiated or called upon the security to be deposited by the Company with the County, the County may, at its opinion and discretion, use any funds thereby obtained in any manner the County deems fit to discharge the obligations of the Company pursuant to this Agreement.

3. The Company for the purpose of this agreement will be deemed an independent Contractor and not the servant, employee or agent of the County.

- 4. In signing this Agreement, the Company agrees to conform and comply with all conditions set forth in the Occupational Health and Safety Act and Regulations pursuant thereto, and to pay all assessments pursuant to the said Act. Under this agreement the Company is deemed the "prime contractor".
- 5. The Company shall not, without first obtaining the written consent of the County, make any assignment or award any subcontracts for the performance and execution of the Works under this Agreement.

The Company will not in any manner whatsoever commit or purport to commit the County to the payment of any money to any person, firm or corporation.

GENERAL CONDITIONS

1. Use Conflict

Where the Company during its term of use experiences conflict by other resource sector users they must take all practicable efforts to negotiate (or participate in negotiations) an equitable solution (i.e. share of maintenance/repair costs). Where an equitable solution between the parties cannot be reached the County reserves the right to the final decision.

2. Public Conflict

The Company will not, during the term, perform a service for any person, firm or corporation where the performance of the service may or does, in the reasonable opinion of the County, give rise to a conflict of interest between the obligations of the Company to the County under this Agreement and the obligations of the Company to such other person, firm or corporation.

3. Agricultural Disturbance

The Company is responsible to mitigate, address and correct any and all damage or disturbance to adjacent lands / landowners that may be caused through their Use of the roadway under this Agreement. This may include but is not limited to:

- Fence damage or requirements
- Crop disturbance
- Required cattle movement
- Dust Control

4. Signage

During the Use of the road way the following signage must be placed at the worksite.

• Company Information ("under agreement the road is being used by, for information contact")

5. Public Access /Maintenance and Repair

Provision for the Use of a partially developed road allowance may include:

- provide a stable grade for all conditions of use
- installation and maintenance of approved construction signage
- company identifier signage (company name and contact)
- if required, the minimum stripping width is 10 meters. Soil conservation (stripping & storage of topsoil), in accordance with the Alberta Environmental Protection Enhancement Act (AEPEA)
- tree/brush removal and disposal (burn and bury)
- road surface may require aggregate materials for grade stabilization
- drainage improvements may be required, including culvert installation

At all times the roadway must be maintained to facilitate public use and access. As soon a practicable the Company must notify the County of road repair and maintenance requirements.

The County will perform the required remedial action either on notice by the Company or on its own initiative (if not reported).

The Company agrees that if damage or destruction to the Worksite, as determined by the County acting reasonable, results from exercise by the Company and its servant, agents, employees, contractors and subcontractors of the rights herein granted, the Company shall, at the County's request, restore the worksite to its previous condition. If the Company fails to comply with such instruction within a reasonable time, the County may restore the worksite to its previous condition at the expense of the Company.

The Company is liable for the required costs of repair or maintenance <u>caused through its Use</u>. Costs will be invoiced to the Company (at County cost). At no time is the Company to perform maintenance, repair or upgrade work within the road allowance unless the County provides written authorization to the Company for such work.

6. Regulations

The Company shall keep himself fully informed of and shall comply with all applicable municipal, provincial and federal legislation and regulations.

7. Permits and Regulations

The Company shall, at his own expense, obtain all required permits incidental to the Use of the roadway. Upon request, the Company shall provide the County with proof of having obtained such permits.

8. Workers' Compensation Board Coverage

The Company shall, at its own expense, obtain Workers' Compensation Board coverage for itself, all workers and any shareholders, directors, partners or other individuals employed or engaged in the execution of the Work, and shall comply with all conditions of the Occupational Health And Safety Act and Regulations there under. Upon request, the Company shall provide the County with proof of such compliance.

9. Site

The Company hall confirm that it has visited the Worksite and is familiar with all conditions pertaining thereto.

10. Work Area

All Work is to be confined to "the area" as defined and/or ordered by the County.

11. Indemnity / Insurance

Notwithstanding the provision of any insurance coverage by the County, the Company hereby agrees to indemnify and save harmless the County, its successor(s), assign(s) and authorized representative(s) and each of them from and against losses, claims, damages, actions and causes of action (on a solicitor and his client full indemnity basis) (collectively referred to as "Claims"), that the County may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, that arise out of:

- a) any errors, omissions or negligent acts of the Company or its employee(s) servant(s), agent(s), subcontractor(s) or authorized representative(s); or
- b) any default or breach of any provision of this Agreement;

excepting always that this indemnity does not apply to the extent, if any, to which the Claims are caused by errors, omissions or the negligent acts of the County, its other contractor(s), assign(s) and authorized representative(s) or any other persons.

Notwithstanding the other provision of the Section, with regard to the subject matter of this Agreement, neither the County nor the Company shall have any liability to the other for any loss of profit or consequential or indirect damages suffered by the other.

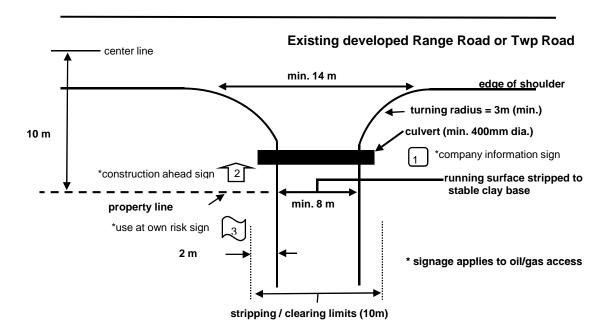
The Company shall provide, maintain and pay for Commercial General Liability insurance protecting the County and the Company from and against any and all claims which may arise out of the Company's performance of the Work:

- a. The amount of such insurance shall be not less than \$2,000,000 inclusive of any one occurrence.
- b. The Company shall provide the County with evidence of such insurance prior to the commencement of Work under this Agreement.

Schedule B - Machine Road

Construction within an Undeveloped Road Allowance (minimum construction standards)

Typical Plan View



Typical Cross Section

