AVIATION PRICE AGREEMENT
Between the Montana Department of Natural Resources and Conservation
Forestry Division, 2705 Spurgin Road, Missoula Montana, 59804 and

Lohman Helicopter LLC
30627 Chute Road
Kendrick ID 83537

AGREEMENT NUMBER: 147034-03

1. PURPOSE: The purpose of this Price Agreement ("Agreement") is to establish general terms and conditions for aviation equipment and services in connection with fire suppression activities by the Montana Department of Natural Resources & Conservation ("DNRC").

2. FULLY OPERATED: Vendor, except as otherwise provided in this agreement, will furnish the aviation equipment and services in accordance with the specifications, terms and conditions of this agreement and at the applicable accepted bid schedule prices, the aircraft, pilots, other personnel, repairs, operating supplies, service facilities and incidentals necessary to the operations of the aircraft. Vendor must furnish the equipment as described in the table in paragraph 10 of this agreement following aircraft and all equipment and personnel to operate at the price quoted for that period.

3. HOLD HARMLESS/INDEMNIFICATION: The Vendor agrees to protect, defend, and save the State of Montana, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Vendor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Vendor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State of Montana, under this agreement.

4. REQUIRED INSURANCE:

4.1 General Requirements. The Vendor shall maintain for the duration of the agreement, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Vendor, its agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

4.2 Primary Insurance. The Vendor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained

by the State, its officers, officials, employees or volunteers shall be excess of the Vendor's insurance and shall not contribute with it.

4.3 Specific Requirements for Commercial General Liability. The Vendor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of $1,000,000.00 per occurrence and $2,000,000.00 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Vendor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for liability arising out of activities performed by or on behalf of the Vendor, including the insured's general supervision of the Vendor; products, and completed operations; premises owned, leased, occupied, or used.

4.4 Specific Requirements for Automobile Liability. The Vendor shall purchase and maintain coverage with split limits of $500,000 per person (personal injury), $1,000,000 per accident occurrence (personal injury), and $100,000 per accident occurrence (property damage), OR combined single limits of $1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the Vendor or its officers, agents, representatives, assigns, or subcontractors. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insured's for automobiles leased, hired, or borrowed by the Vendor.

4.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by DNRC. At the request of DNRC either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State of Montana, its officers, officials, employees, or volunteers; or (2) at the expense of the Vendor, the Vendor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

4.6 Certificate of Insurance/Endorsements. The Vendor shall obtain and retain in force for the duration of this agreement, the following forms of insurance written by an insurance company having a Best's rating of A- or better and be licensed and admitted in Montana. The Vendor will ensure that a certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages has been received by DNRC, 2705 Spurgin Road, Missoula, MT 59804. The Vendor must notify DNRC immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. DNRC reserves the right to require complete copies of insurance policies at all times. All policies shall be endorsed to include the State of Montana, its departments, agents, officials, and employees as additional insured and shall protect the Vendor and the State of Montana from claims for damages for bodily injury, including accidental death, as well as for claims for property damages, which may arise from operations under this agreement whether such operations be by the Vendor, his employees, subcontractors, agents, or guests. All policies shall contain waiver of subrogation coverage or endorsements. Failure of the

DNRC to demand such certificate(s) or other evidence of full compliance with these insurance requirements or failure of the DNRC to identify a deficiency from evidence that is provided shall not be construed as a waiver of Vendor's obligation to maintain such insurance. Failure to maintain the required insurance may result in termination of this agreement.

4.7 Aircraft/Aerial Operations Liability Insurance. Vendor shall maintain aircraft/aerial operations liability insurance with a combined single limit of not less than $1,000,000 each occurrence and passenger liability not less than $100,000 per seat. The policy will provide coverage for bodily injury and property damage arising from any aerial operations engaged in under this agreement.

4.8 Compliance with the Workers' Compensation Act. Vendor is required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the Department of Natural Resources and Conservation, 2705 Spurgin Road, Missoula, MT 59804, upon expiration.

4.9 Subcontractor Insurance. The Vendor shall require all subcontractors utilized in performance of this agreement to provide certificates of insurance to the DNRC evidencing insurance coverage with the required additional insured endorsements as set forth in the preceding paragraphs.

4.10 No Warranty Regarding Insurance Limits. By requiring insurance herein, the DNRC does not represent that coverage and limits will necessarily be adequate to protect Vendor and such coverage and limits shall not be deemed as a limitation on Vendor's liability under the indemnities granted to the State of Montana in this agreement.

5. LIABILITY FOR DAMAGE TO EQUIPMENT:

5.1. Security of the aircraft and Vendor-owned equipment shall be the responsibility of the Vendor regardless of whether the aircraft is operating from a remote alternate base point or the designated base point.

5.2. Any claim for damage, loss or destruction of any item of equipment accepted under this agreement that occurs while said item of equipment is being used on authorized work will be considered under applicable laws and regulations. Under no circumstances will a claim be approved for damage, loss or destruction of said equipment due to ordinary wear and tear or to which negligence on the part of the Vendor, his agent or employees contributed.

6. OFFICIALS, AGENTS AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE:
In no event shall any official, officer, employee or agent of the State of Montana be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this agreement. This section shall not apply to any remedies in law or at equity against any person or entity that exist by reason of fraud, misrepresentation, or outside the terms of this agreement.

7. AIRCRAFT AND PERSONNEL CARDING:
All aircraft, support vehicles and personnel will have a current interagency card approved by the USFS or Department of Interior OAS. Any aircraft, support vehicle or person not having such card will not be authorized for use under this agreement. All aircraft, support vehicles and personnel must meet the specifications of the current Federal Call When Needed helicopter contract while operating under this agreement.

8. ACCESS TO RECORDS:
The Vendor agrees to provide the State of Montana, Legislative Auditor or their authorized agent's access to any records necessary to determine contract compliance. (Section 18-1-118, MCA)

9. NO GUARANTEE OF USE AND TIME UNDER HIRE:
DNRC makes no guarantee of use during the term of this price agreement. DNRC personnel may utilize this price agreement at their discretion, and may opt to enter into other price agreements and/or use aircraft from other vendors, whichever is deemed by DNRC personnel to be in the best interest of the State of Montana. The time under hire shall start at the time the equipment begins traveling to an incident after being ordered by DNRC, and end at the estimated time of arrival back to the point of hire after being released from the incident by DNRC. DNRC may release the equipment and personnel described in this agreement from an incident at its discretion and/or based on resource needs. DNRC does not guarantee that it will utilize the equipment and personnel described in this agreement on an incident for a specific period of time.

10. PAYMENTS:
Payment will be made at the rates shown in this Price Agreement. When a Daily Availability is charged the aircraft and support equipment along with all necessary personnel will be in a state of readiness for takeoff upon fifteen (15) minute notice. The daily availability period will be for nine (9) hours each day paid. If the aircraft has not been available for nine hours then the Daily Availability rate will be reduced by one eighteenth (1/18) for each one half (½) hour below the nine (9) hour minimum. If the aircraft is kept beyond nine (9) hours an additional extended standby rate of $43.00 per hour will be paid for each pilot and support person kept with the aircraft and in a state of readiness. In no event will payment under this agreement exceed **$100,000.00.**

RATES:

FIRE WORK					
	Aircraft/Vehicle Make	Model	Registration or License #	Rental Cost per Hour/Mile with Pilot/Driver	Daily Availability
1	Bell Long Ranger	206L3	N206AZ	$1,175	$3,645
2	Bell Long Ranger	206L3	N359AL	$1,125	$3,745
3	MD 530	530 FF	N530SH	$1,225	$3,945
4	Semi-Truck Fuel Tanker, 5,500 Gal	Freightliner	DG1615 1FVFBXYB2RP455511	$4.25	$375.00
5	2013 Ford, 600 Gal	F450	AJ4674 1FT8W3BT4DEA61550	$3.75	$375.00
6	Fuel Trailer, 1,200 Gal	Ford F450	BG1416 1FDOW4HT4CEB53343	$3.75	$375.00
7	Water Tanker, 6,000 Gal	Freightliner	BG1649 2FVMALCKX4DN55926	$4.25	$2,500

11. WITHHOLDING OF PAYMENT:
The DNRC may withhold payments to the Vendor if the Vendor has not performed in accordance with this agreement. Such withholding cannot be greater than the additional costs to the DNRC caused by the lack of performance.

12. COMPLIANCE WITH LAWS:
The Vendor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including, but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Vendor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Vendor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

13. EFFECTIVE DATE, DURATION, AND RENEWAL:
Agreement Term: This agreement shall take effect **upon DNRC signature date, and will terminate one (1) year from the date of execution** unless terminated earlier in accordance with the terms of this contract. (Section 18-4-313, MCA).

14. REDUCTION OF FUNDING:
The DNRC must terminate this agreement if funds are not appropriated or otherwise made available to support the State's continuation of performance of this agreement in a subsequent fiscal period. (See section 18-4-313(4), MCA.)

15. CHOICE OF LAW AND VENUE:
This agreement is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent agreement must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See section 18-1-401, MCA.)

STATE OF MONTANA DEPARTMENT OF NATURAL RESOURCES
2014 AVIATION PRICE AGREEMENT

The undersigned, having read all the agreements, together with any and all special provisions and specifications set forth, do agree thereto in every particular and will furnish the above at the prices stated. Further, the undersigned understands that this document shall constitute the entire price agreement between the undersigned and the Montana Department of Natural Resources and Conservation.

Date: 7/14/14

Company: Lohman Helicopter LLC

Phone: 208-743-5411

Fax: 208-413-9444

Mailing Address: 30627 Chute Road

Kendrick	ID	83537
City	State	Zip

Morgan Lohman

Authorized Signature: president/COO

MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

Date: 7.18.2014

By: John B. Monzie

Title: Deputy Chief