

Arizona State Parks and Trails
23751 N 23RD Ave, Phoenix, AZ 85085
PROJECT SPONSOR AGREEMENT

This Agreement is entered into by and between the Arizona State Parks Board (BOARD) and Verde Valley Cyclists Coalition becomes effective on the date of signature by the authorized representative of Arizona State Parks and Trails.

PROJECT AGENCY: Verde Valley Cyclists Coalition		PROJECT TITLE: Red Rock Bike Patrol		PROJECT NUMBER: ASPT #: 471927 ADOT #: M471927P FHWA #: RTP-B-504	
THIRD PARTY PARTICIPANT'S NAME:				FY OF REVENUE: 2019	
PROJECT PERIOD: Project period ends 6/30/2019					
GRANT PROGRAM: Recreational Trails Program	GRANT AMOUNT: \$10,000.00	% 59%	PARTICIPANT MATCH: \$6,957.00	% 41%	TOTAL PROJECT COST: \$16,957.00
APPROVED SCOPE OF WORK AND SPECIAL CONDITIONS: <div style="text-align: right; margin-right: 100px;">Attachment A & B</div>					
AUTHORITIES TO ENTER INTO THIS AGREEMENT: (statute, resolution, minutes, etc.) STATUTE: A.R.S. §28-1176E(3) RESOLUTION:					
AWARDING OFFICIAL ON BEHALF OF THE ARIZONA STATE PARKS BOARD: <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 10px;"><div style="text-align: center;"> _____ Signature Sue Black Executive Director</div><div style="text-align: center;"><u>10-25-18</u> _____ Date</div></div>					
ACCEPTANCE OF ALL TERMS OF THIS AGREEMENT AND ITS ATTACHMENTS IS ACKNOWLEDGED BY THE PROJECT SPONSOR'S SIGNATURE BELOW.  _____ Project Sponsor's Signature Kevin P Adams _____ Printed Name Treasurer _____ Title <div style="text-align: center; margin-top: 10px;">10/17/18 _____ Date</div>			PARTICIPANT ATTORNEY APPROVAL AS TO FORM AND AS BEING WITHIN THE AUTHORITY OF THE PROJECT SPONSOR _____ Attorney's Signature _____ Name (Typed) _____ Date		

The most recent version of the General Provisions based on the Project Sponsor and project type are attached and incorporated into this agreement.

Arizona State Parks and Trails
PROJECT SPONSOR AGREEMENT
Attachment A
Approved Project Scope and Special Conditions

PROJECT SPONSOR: Verde Valley Cyclists Coalition

PROJECT TITLE: Red Rock Bike Patrol

PROJECT NUMBER: 471927

PROJECT DESCRIPTION: The Red Rock Bike Patrol (RRBP) was created in response to demand for additional trained trail ambassadors in heavy use mountain bike areas of the Red Rock Ranger District (RRRD) having 4 million annual visitors and 230 miles of multiuse trails. The RRBP is a 25-person all volunteer patrol authorized by the RRRD through a Volunteer Service Agreement with the Verde Valley Cyclists Coalition. The RRBP's primary focus is to educate, assist and inform trail users to enhance their enjoyment of the Sedona, and RRRD trail system.

- Funding will be used to equip the RRBP volunteers. Patrollers will be issued two complete sets of uniforms, a hydration backpack, first aid kit and bike tubes/CO2 (new patrollers).
- First aid supplies and bike tubes/CO2.
- Funding will also be used to provide signage at trail intersections for the Western Gateway Trail System.

APPROVED PROJECT SCOPE:

Equipment Costs.....	\$ 7,504.00
Directional Signs.....	\$ 2,496.00
Total: \$ 10,000.00	

DESCRIPTION AND SOURCE(S) AND AMOUNTS FOR APPROVED MATCH

Verde Valley Cyclists Coalition will provide up to \$6,957.00 in staff time and volunteer match. A minimum of 5.7% non-federal match must be provided with each reimbursement request.

SPECIAL CONDITIONS:

The administration of this grant agreement is additionally subject to the contents of the “[Administrative Guidelines for Awarded Grants](https://azstateparks.com/grant-administration),” <https://azstateparks.com/grant-administration>

Project applications are submitted as “shovel-ready” and project activities must begin immediately upon final execution of the project sponsor agreement. All projects must be active within any six (6) month period. Therefore reimbursements (or expenses) must be requested within any six-month period.

Detailed quarterly status reporting in ASPT’s on-line system (“WebGrants”) is required. Failure to provide these reports when requested will result in points being deducted in future funding requests.

See the General Provisions – Attachment B regarding term of public recreational use.

OTHER CONDITIONS

Allocated project funds can only be expended on the designated scope items.

Arizona State Parks and Trails
GRANT PROJECT SPONSOR AGREEMENT

Attachment B

General Conditions Applicable to Non-Motorized Project Grants

This Agreement applies to grants for non-motorized projects awarded pursuant to the Recreational Trails Program.

PART I – DEFINITIONS

For purposes of this Agreement:

- A. “Agreement” means the Grant Project Sponsor Agreement and its attachments.
- B. “AORCC” is the Arizona Outdoor Recreation Coordinating Committee. Together, AORCC and the Board are “the Parties.”
- C. “BOARD” means the Arizona State Parks BOARD. Together, AORCC and the Board are “the Parties.”
- D. “Conversion” means the replacement of grant-funded facilities with new facilities that are of reasonably equivalent usefulness and location as the original.
- E. “Eligible Costs” mean direct costs attributed to the project grant program, such as: 1) compensation of hired employees for the time and efforts devoted specifically to the execution of the grant; 2) cost of materials acquired, consumed, or expended specifically for the purposes of the grant; 3) equipment and other capital expenditures; 4) other items of expense incurred specifically to carry out the participant agreement; and 5) direct services furnished specifically for the grant program by other agencies. These costs are identified by the PROJECT SPONSOR in the Estimated Project Cost Sheet that is submitted with the Certified Application Form and application packet. The costs are then approved by the BOARD or by an amendment to this Project Agreement. Generally, eligible costs are identified in the applicable grant manual.
- F. “Facilities” mean capital improvements.
- G. “Fund” means the Federal Recreational Trails Program.
- H. “Guidelines” mean the Administrative Guidelines for Awarded Grants and any other applicable program directives adopted by the BOARD.
- I. “Ineligible Costs” are those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives of the project.
- J. “Match” includes cash, in-kind contributions, or donations, including volunteer time or materials contributed to the project with no intention of reimbursement.
- K. “Obsolescence” means that an area or facility may be determined obsolete during the Term of Public Use if (1) reasonable maintenance and repairs are not sufficient to keep the facility or equipment operating; (2) changing needs dictate a change in the type of facilities or equipment provided; (3) operating practices dictate a change in the type of facilities or equipment required; or (4) the facility or equipment is destroyed by fire, natural disaster, or vandalism. Declaring the facility obsolete means that the PROJECT SPONSOR receives a waiver of the replacement requirements. No later than 90 days after a facility or equipment is taken out of public use, the PROJECT SPONSOR may request a waiver of repayment or replacement requirements in writing. A determination of obsolescence may be made at the sole discretion of the BOARD.
- L. “PROJECT SPONSOR” means an eligible applicant that has been awarded a grant to develop a project or coordinate an education program.
- M. “Project” means the sum of the activities identified with specific costs in the grant application packet that are eligible under the referenced grant application manual and have been approved by the BOARD.
- N. “Project Period” means the period of time during which all approved work and related expenditures associated with development of the project are to be completed by the PROJECT SPONSOR.
- O. “Repayment” means returning grant money to the Fund in the event the PROJECT SPONSOR expends advanced funds for ineligible costs or fails to expend the advanced funds for eligible project costs during the term of this grant.
- P. “Sub-contract” means a contract between the PROJECT SPONSOR and another individual or entity whereby labor, work, services, or other responsibilities are supplied or performed in furtherance of the PROJECT SPONSOR’S responsibilities under this Agreement.

- Q. “Term of Public Use” means the time required for public use. The Term of Public Use of the grant-assisted facilities must be at least:
1. Equipment (personal property) grant investment of more than \$50,000 per item: 25 years
 2. Facilities (real property): 25 years
 3. Land: 99 years unless obsolescence applies. The Term of Public Use will begin on the date of completion identified in the Completion Certification Letter.

PART II – PERFORMANCE

A. ADMINISTRATION

1. Conditions - This Agreement is subject to the availability of grant funds and appropriate approvals, and is subject to the Constitution of the State of Arizona, the Arizona Revised Statutes, the Arizona Administrative Code, other acts of the Arizona Legislature, executive orders of the Governor, and the decisions and policies of the BOARD.
2. Incorporation of Application, Grant Manual, and Administrative Guidelines - The following documents are incorporated by reference into this agreement: The PROJECT SPONSOR'S grant application packet; the applicable grant manual; and the most recent revision of the Administrative Guidelines for Awarded Grants. In the event of a conflict or ambiguity, the terms of this Agreement and Attachments A and B to this Agreement must take precedence.
3. Use of Grant Funds - Awarded grant funds must be used solely for eligible purposes of the funding program, as defined by statute and as approved by the BOARD.
4. Transfer of Grant Funds - Awarded grant funds will be transferred to the PROJECT SPONSOR according to the terms of this Agreement. Staff will not process reimbursements requests for less than \$1,000 unless it is the final request.
5. Grant Retention - Ten percent (10%) of the grant amount will be retained from reimbursement until Staff notifies the PROJECT SPONSOR in writing that the project is officially closed and completed.
6. Grant Accountability - Grant funds must be managed separately within the PROJECT SPONSOR'S accounting system that identifies the name and number of this project. The funds must only be expended as authorized under the terms of this Agreement.
7. Accomplishment of Project - The project must be accomplished according to the terms of this Agreement and applicable State laws.
8. Amendments - This Agreement may be amended in writing by the Parties of the Agreement upon written request of the PROJECT SPONSOR, good cause shown, and approval by the BOARD. Eligible amendments include adjustments to the project period, funding amount, or minor changes to the scope items.
9. Use of Project - Project accomplishments must be open or available to the public as specified in the Term of Public Use. If the grant funded capital improvements are not maintained and kept open for public use for the term specified in the Term of Public Use, the PROJECT SPONSOR must refund to the BOARD the awarded grant amount within six (6) months of the date the improvements are no longer maintained or kept open for public use, unless the BOARD agrees that obsolescence or conversion is appropriate.
10. Special Conditions - Special conditions to this agreement are binding upon and inure to the benefit of the successors and assigns of each of the Parties to this agreement. Breach of any condition will be enforceable by any remedies available under applicable Federal or State law.
11. Conversion - No land or facilities acquired or developed with State assistance will, without the approval of the BOARD, be converted to other than public use during the Term of Public Use. The BOARD will approve such conversion only if it finds the replacement property to be in accord with the current grant statute. Conversions will require the substitution of other properties of at least equal fair market value and of reasonably equivalent usefulness and location, and concurrence of the landowner. The replacement property will then become subject to this agreement. In lieu of conversion, the PROJECT SPONSOR may apply for a declaration of obsolescence. In the event the BOARD provides grant assistance for the acquisition and/or development of real property subject to reversionary interests, with full knowledge of those reversionary interests and with written notice of those reversionary interests, conversion of said

property to other than public uses as a result of such reversionary uses being exercised may be approved. The PROJECT SPONSOR must notify the BOARD of the conversion as soon as possible and seek approval of replacement property in accord with the conditions set forth in this agreement. The PROJECT SPONSOR must accomplish such replacement within a reasonable time, acceptable to the BOARD, after the conversion of the property occurs. This paragraph also applies to (1) leased properties acquired and/or developed with Fund assistance, where such lease is terminated prior to its full term pursuant to lease provisions known and agreed to by the BOARD; and (2) properties subject to other outstanding rights and interests known to and agreed to by the BOARD.

B. RELATIONSHIP OF PROJECT COSTS TO THE PROJECT PERIOD

Except for pre-agreement costs approved by the BOARD, only those costs associated with approved project work incurred during the project period will be eligible for reimbursement according to the terms of this agreement. Combined pre-agreement and design and engineering costs must not exceed 10% of the approved grant award.

C. ACQUISITION

Values of property purchased with grant assistance must be appraised by an appraiser with active State certifications according to the Uniform Standards of Professional Appraisal Practice. This appraisal must be prepared within one year prior to the acquisition. Grant participation must be according to the grant award amount, the approved market value, or the purchase price, whichever is less.

D. CARE AND DISPOSITION OF EQUIPMENT

Equipment purchased with grant funds to develop a project may remain in the possession of the PROJECT SPONSOR for as long as the equipment is being used for eligible project work, at the sole discretion of State Parks. State Parks reserves the right to claim equipment purchased under this Agreement when it is no longer being used for the purpose for which it was purchased.

E. SUB-CONTRACTS

1. Sub-contracts awarded to accomplish the project must incorporate by reference, in each sub-contract, the provisions of this Agreement. The PROJECT SPONSOR bears full responsibility for acceptable performance under each sub-contract.
2. The PROJECT SPONSOR must pay when due any claim of a sub-contractor, employee, independent contractor, or any other employed individual performing the approved work for services pursuant to this Agreement.
3. The PROJECT SPONSOR indemnifies and holds harmless the State of Arizona, its employees, and the BOARD and its members from any claim(s) for services pursuant to this Agreement, or damages relating thereto, of a sub-contractor or other employed individual performing the approved work.
4. Any sub-contract for employment by the PROJECT SPONSOR must be in writing and contain a provision whereby a person so employed or with whom a sub-contract has been entered acknowledges that the State of Arizona and the BOARD are not be liable for any costs, claims, damages, reimbursement, or payment of any kind relating to such sub-contract.

F. PROJECT REPORTING, REVIEWS, AND ON-SITE INSPECTIONS

1. The PROJECT SPONSOR must submit a project status report not less than quarterly. The status report will include, at a minimum, the following: (a) progress toward completing the approved scope of work; and (b) any problems encountered and solutions to problems regarding completion of the project. Failure to submit the reports will result in delays in grant reimbursement or advance processing. The PROJECT SPONSOR must consult with the BOARD, as needed, to review progress. The BOARD reserves the right to review the progress of the project and to conduct on-site inspections, as applicable and as needed, at any reasonable time during the project period or required Term of Public Use in order to assure compliance with the terms of this agreement.
2. The PROJECT SPONSOR must certify compliance with the Project Agreement every five years, until the end of the Term of Public Use, on a form to be provided by the BOARD. In addition, on-site inspections will be conducted periodically at the discretion of the BOARD. The following will be taken into consideration during the inspection of properties that have been acquired or developed with grant assistance: retention and use; appearance, and maintenance.
3. The PROJECT SPONSOR must provide the Board with written consent of the landowner to conduct on-site inspections; failure to do so is a failure to keep or maintain the property for public use.

G. EARNED INTEREST ON ADVANCED FUNDS

Interest generated from funds advanced to the PROJECT SPONSOR during the project period must be used to further the purposes of the specified project. Funds advanced, but not spent to complete the project, must be returned to the BOARD at the completion of the project.

H. PRODUCT OR PUBLISHABLE MATTER OWNERSHIP

With written permission from the BOARD or Arizona State Parks, the PROJECT SPONSOR may use products or publishable matter produced with grant assistance the BOARD will have nonexclusive license to use and reproduce, without payment, such materials. The PROJECT SPONSOR must receive written permission from State Parks prior to utilizing publishable material for commercial or public purposes. This paragraph is not applicable to architectural or engineering plans produced with grant assistance.

I. FUND SOURCE RECOGNITION

The PROJECT SPONSOR must permanently and publicly acknowledge the grant program(s) that assisted project accomplishments (including, but not limited to: final documents; audio-visual recordings; photographs; plans; drawings; publications; advertisements; and project plaques). At a minimum, this acknowledgment must include the following: "This program was financed in part (or in full) by a grant from the Federal Recreational Trails Program administered by the Arizona State Parks."

J. PROJECT COST VERIFICATION

The PROJECT SPONSOR must submit project expenditure documents to the BOARD or State Parks for verification or audit purposes, upon request.

K. TRANSFER OF CONTRACTUAL RESPONSIBILITY

The PROJECT SPONSOR may transfer responsibilities under the terms of this agreement to another eligible participant, provided that approval has been granted by the BOARD in writing prior to the transfer.

PART III – COMPLIANCE

A. ANTI-TRUST

Vendor and purchaser recognize that, in actual economic practice, overcharges from anti-trust violations are borne by purchaser. Therefore, the PROJECT SPONSOR hereby assigns to BOARD any and all claims for such overcharges.

B. ARBITRATION

To the extent required pursuant to A.R.S. § 12-1518 and any successor statute(s), the Parties agree to use arbitration, after exhausting all applicable administrative remedies, to resolve disputes arising out of this Agreement. Venue shall be in Maricopa County, Arizona.

C. INDEMNIFICATIONS AND CLAIMS AGAINST THE STATE

The PROJECT SPONSOR indemnifies, saves and holds harmless the BOARD, the State of Arizona, and Arizona State Parks, its agents, departments, officers, and employees from any and all claims, losses, damages, liabilities, expenses, costs, and charges incident to or resulting in any way from any injuries, death, or damage to any person, or any damage to any property caused by or resulting from the issuance or performance of services rendered as a part of this Agreement, except those claims, losses, damages, liabilities, expenses, costs, and charges arising from the sole negligence of the BOARD, the AORCC, or the State of Arizona, its agents, departments, officers, or employees.

D. NON-DISCRIMINATION -- EMPLOYMENT

The PROJECT SPONSOR agrees to comply with Executive Order Number 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulation, including the Americans with Disabilities Act. The PROJECT SPONSOR shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

E. ARIZONANS WITH DISABILITIES ACT OF 1992 AND AMERICANS WITH DISABILITIES ACT

The PROJECT SPONSOR shall comply with all applicable provisions of the Arizonans with Disabilities Act of 1992, A.R.S. §41-1492, et. seq. and the Americans with Disabilities Act, (Public Law 101-336, 42 U.S.C. 12101-12213 and 47 U.S.C. §225 and 611), and applicable state rules and federal regulations under the Acts.

F. RECORDS RETENTION AND AUDITS

1. Complete financial records and all other documents pertinent to this Agreement must be retained by the PROJECT SPONSOR and made available to the Staff, if requested, for review and/or audit purposes for a period of five (5) years after this Agreement expires.
2. The PROJECT SPONSOR may substitute electronic copies in place of original records, but only after project costs have been verified.

G. STATE CONTRACT CANCELLATION

1. The State or its political subdivisions or any department or agency of either may cancel this Agreement without penalty or further obligation, pursuant to A.R.S. § 38-511.
2. Every payment obligation of the BOARD under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated or appropriated for the continuance of this Agreement, this Agreement may be terminated by the BOARD at the end of the period for which the funds are available. No liability shall accrue to the BOARD or the State of Arizona in the event this provision is exercised, and the BOARD shall not be obligated or liable for any future payments or for any damages resulting as a result of termination under this paragraph.

H. REMEDIES

1. The BOARD may temporarily suspend grant assistance obligated to the PROJECT SPONSOR pending required corrective action by the PROJECT SPONSOR or pending a decision to terminate the grant by the BOARD.
2. The PROJECT SPONSOR may unilaterally terminate this Agreement at any time before the first payment is made. After the initial payment, this Agreement may be terminated, modified, or amended by the PROJECT SPONSOR only by written mutual agreement of the Parties.
3. The BOARD may terminate this Agreement in whole or in part at any time before the date of completion if it determines that the PROJECT SPONSOR has failed to comply with the terms or conditions of the grant. The BOARD will promptly notify the PROJECT SPONSOR in writing of the determination and the reasons for the termination, including the effective date. All payments made to the PROJECT SPONSOR must be returned to the BOARD if this Agreement is terminated for cause.
4. The BOARD or PROJECT SPONSOR may terminate this Agreement in whole or in part at any time before the date of completion when both Parties agree that the continuation of the development project would not produce beneficial results commensurate with the further expenditure of funds. The two Parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The PROJECT SPONSOR must not incur new obligations for the terminated portion after the effective date and must cancel as many outstanding obligations as possible. The BOARD may allow full credit to the PROJECT SPONSOR for the grant share of properly incurred obligations that cannot otherwise be cancelled before the effective termination date.
5. The BOARD may require specific performance of the terms of this Agreement or take legal steps necessary to recover the funds granted if the PROJECT SPONSOR fails to comply with the terms of the grant or breaches any condition or special condition of this Agreement.
6. The BOARD may request and the PROJECT SPONSOR must deliver repayment of funds advanced under this agreement in conjunction with the remedies in this section.
7. The remedies expressed in this Agreement do not limit the rights of the BOARD. This Agreement does not in any way abridge, defer, or limit the BOARD'S right to any right or remedy under law or equity that might otherwise be available to the BOARD.

I. CULTURAL RESOURCES

The PROJECT SPONSOR must meet the requirements of the State Historic Preservation Act (A.R.S. §41-861 to 41-864) before project initiation.

J. COMPLIANCE WITH FEDERAL IMMIGRATION LAWS AND REGULATIONS RELATING TO THE HIRING OF UNAUTHORIZED WORKERS.

The PROJECT SPONSOR must meet the compliance requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement.

1. The PROJECT SPONSOR and anyone contracted by the PROJECT SPONSOR warrant compliance with all Federal immigration laws and regulations relating to employees and warrants compliance with Section A.R.S. § 23-214, Subsection A.

2. A breach of a warranty regarding compliance with immigration laws and regulations is a material breach of the contract and the PROJECT SPONSOR may be subject to penalties up to and including termination of the contract.
3. Failure to comply with a State audit process to randomly verify the employment records of PROJECT SPONSOR and sub-contractors is a material breach of the contract and the PROJECT SPONSOR may be subject to penalties up to and including termination of the contract.
4. The State Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the PROJECT SPONSOR or subcontractor is complying with the warranty under paragraph J-1.

K. DISCLOSURE REQUIREMENTS

PROJECT SPONSOR must comply with the terms of A.R.S. § 35-181.03 or its successor statute(s) regarding audited financial statements provided to the BOARD.

L. INSURANCE REQUIREMENTS

PROJECT SPONSOR and sub-contractors must procure and maintain occurrence-based insurance policies that cover claims for injury or death to persons or damage to property that may arise from or in connection with the performance of the work hereunder by the PROJECT SPONSOR, its agents, representatives, employees or sub-contractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the PROJECT SPONSOR from liabilities that might arise out of the performance of the work under this contract by the PROJECT SPONSOR, its agents, representatives, employees or sub-contractors, and PROJECT SPONSOR is free to purchase additional insurance.

Minimum Scope and Limits of Insurance: PROJECT SPONSOR shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$50,000
- Each Occurrence \$1,000,000

a. The policy must be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the PROJECT SPONSOR.”

b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

a. The policy must be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be

named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the PROJECT SPONSOR, involving automobiles owned, leased, hired or borrowed by the PROJECT SPONSOR."

b. Policy must contain a waiver of subrogation against the State of Arizona, as departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.

3. Worker's Compensation and Employers' Liability

• Workers' Compensation

Statutory

Employers' Liability

- Each Accident \$ 500,000
- Disease – Each Employee \$ 500,000
- Disease – Policy Limit \$1,000,000

a. Policy must contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.

b. This requirement does not apply to: Separately, EACH PROJECT SPONSOR or sub-contractor exempt under A.R.S. 23-901, and when such PROJECT SPONSOR or sub-contractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

Additional Insurance Requirements: The policies must include, or be endorsed to include, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the PROJECT SPONSOR, even if those limits of liability are in excess of those required by this Contract.
2. The PROJECT SPONSOR'S insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the PROJECT SPONSOR shall not be limited to the liability assumed under the indemnification provisions of this Contract.

Notice of Cancellation: With the exception of (10) day notice of cancellation for nonpayment of premium, any changes material to compliance with this contract in the insurance policies above require thirty (30) days' written notice to the State of Arizona. Such notice must be sent directly to Arizona State Park Board, State Procurement Office located at 1300 W. Washington, Phoenix, AZ 85007 via certified mail, return receipt requested. Acceptability of Insurers: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the PROJECT SPONSOR from potential insurer insolvency.

Verification of Coverage: PROJECT SPONSOR must furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project and any claims arising therefrom. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract. All certificates required by this Contract must be sent directly to Arizona State Park Board, State Procurement Office located at 1300 W. Washington, Phoenix, AZ 85007. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.

Sub-contractors: PROJECT SPONSOR's certificate(s) must include all subcontractors as insureds under its policies or PROJECT SPONSOR shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for sub-contractors shall be subject to the minimum requirements identified above.

Approval: Any modification or variation from the insurance requirements in this Contract must be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

Acceptance of all terms and conditions of this Agreement and its attachments is acknowledged by the signature on the cover sheet of this Agreement by an authorized agent of the PROJECT SPONSOR.