

ATTACHMENT E
HAUSER NORTHWEST COLLECTOR PACKET

HAUSER

HAUSER CHEMICAL RESEARCH, INC.

Welcome Aboard!

Hauser Northwest, Inc. utilizes a network of independent contractors to collect the bark of the Pacific yew, a tree that grows throughout the forests of the Northwestern United States. Many people are depending on our company to provide an uninterrupted source of yew bark for the extraction of taxol, a chemical derived from that bark.

HAUSER NORTHWEST, INC.
LABORATORY

Taxol is used for cancer research and treatment. According to National Cancer Institute Director Dr. Samuel Broder "taxol is the most important new (cancer) drug to come along . . . in 10 or 15 years." Our work is important, because ultimately, people's lives will depend on taxol-based medical research and treatment. Your work is important because it represents the first step in that process — providing the raw materials needed to provide taxol.

But that job is not a simple one. Although large populations of Pacific yew are located on public lands managed by the U.S. Forest Service, Bureau of Land Management or state governments, substantial amounts are also located on private lands. In either case, your job as an independent contractor is to meet all legal responsibilities and to collect yew bark in the most efficient, most ecologically responsible manner.

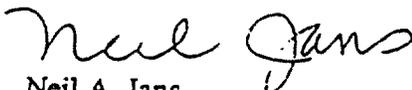
Collectors must avoid wasting this precious resource and must abide by the highest ethical standards in obtaining yew bark. Anything less will jeopardize the bond of trust that you, our independent contractor-collectors, have established with private landowners and public agencies.

As an independent contractor collecting yew bark, you will be working under the authority of yew harvesting permits granted to Hauser Northwest. You will be expected to work toward protecting the environment and ensuring the long-term health of Pacific yew, as well as producing specified amounts of yew bark. To help you meet this responsibility, Hauser Northwest, Inc. has developed collection handbook for you to use as a reference while working on private forestlands, state lands, and those administered by the Forest Service or BLM.

Inside, you will find answers to many of the questions that you may have about the goals and objectives of the bark collection program, and to many of the questions that you may have about your role as an independent contractor.

Welcome to the Hauser Northwest yew bark collector network. We are proud and happy to have your help in this important work.

Sincerely,



Neil A. Jans
President

Bark Harvest⁰

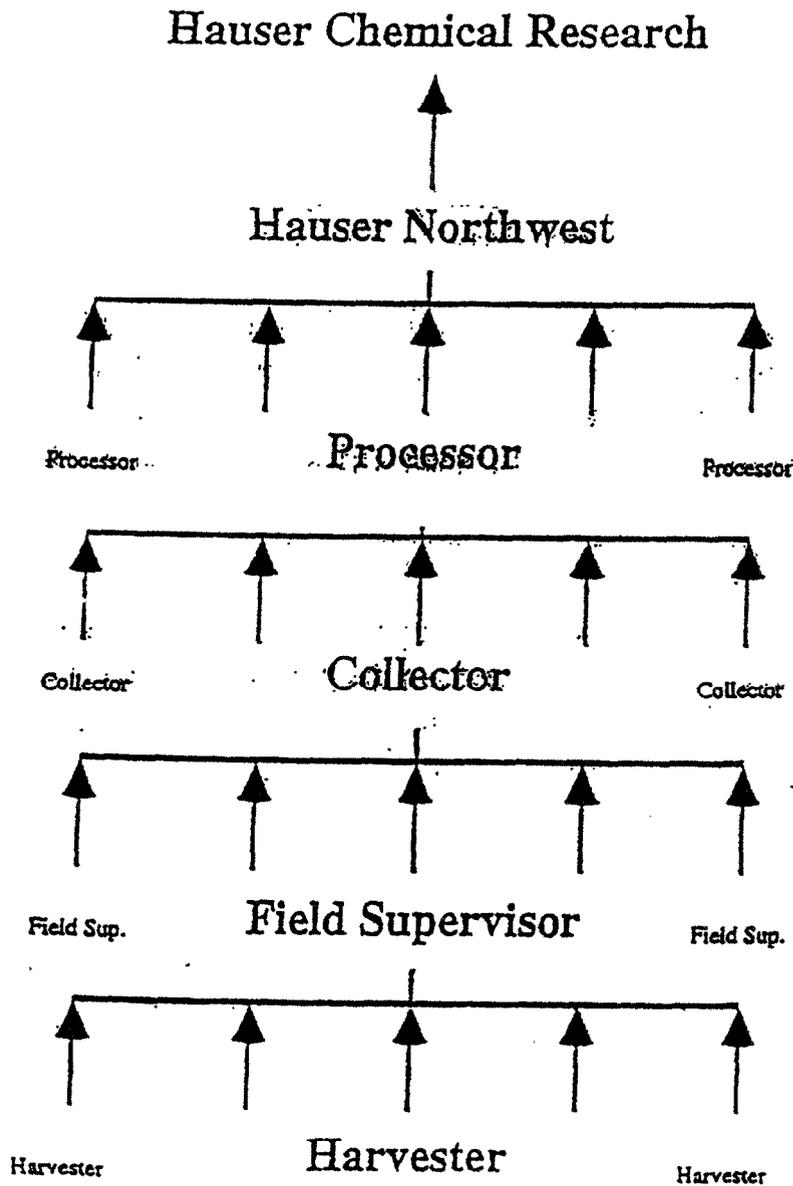
The highest concentration of taxol is found in the bark of Pacific yew trees and, at this time, bark is the only FDA authorized raw material for production of taxol for human use. Bark is gathered by hand peeling bark between April and September or by mechanically peeling bark the rest of the year. Hand peeling during the months when the bark is loose is the most practical, efficient, and cost effective method of bark collection. Mechanical peeling or debarking during the months when the bark is tight is much more costly.

Hand peeling of bark is accomplished by cutting the tree, scoring the bark along the trunk or limb, and peeling off the bark with a flat peeling tool. Bark is gathered into bags, labeled, and transported to a processing facility. Processing requires bark to be manufactured to FDA approved specifications.

Hauser requires bark to be harvested in an environmentally sound manner, but what do we mean? It means that contractors working for Hauser will meet or exceed all harvest regulations designed to minimize disturbance to the environment. These regulations include rules to protect soil, water and wildlife. But it also means Hauser contractors will abide by all other landowner and agency rules concerning camping, litter and garbage disposal.

Hauser takes pride in the work we are doing to make taxol available for cancer treatment and research. We also take pride in the harvest process to collect bark, the raw material necessary for taxol production.

Hauser Northwest Collection Network



Hauser Network

Hauser Chemical Research, Inc. of Boulder, Colorado, has been designated by Bristol-Myers Squibb to collect the bark of the Pacific yew (*Taxus brevifolia*) for production of taxol for human use. Hauser Northwest, Inc. was created as a subsidiary in Cottage Grove, Oregon to manage the actual bark collection and processing.

Hauser Northwest, Inc. has one job to do, and that is to collect and process the bark of the Pacific yew in an efficient, legal and environmentally sensitive manner. The company accomplishes that goal through the use of independent contractors, called collectors who harvest, document and deliver yew bark to processing facilities located throughout the Northwest.

Collectors usually hire harvesters who actually peel the bark from yew trees. Collectors manage the harvester through a harvest supervisor who is responsible for overseeing each unit of operation. Collectors deliver peeled bark to a designated processor who is responsible for sizing, drying and shipping bark according to Hauser Northwest specifications.

Hauser Collector Network

Hauser Northwest	Bark producer for Hauser Chemical Research, Inc.
Processor	Dries, chips, and ships bark to Hauser Chemical Research, Inc.
Collector	Oversees field operation and delivers bark to processor.
Field Supervisor	Supervises a team of bark harvesters.
Harvester	Peels bark.

Each person has specific duties that are outlined, but not limited, to those listed below. The specific duties of Collectors and Field Supervisors included in this handbook.

Collector

Collectors are independent contractors who meet the requirements defined by Hauser Northwest and the laws of several states. Nor are approved yew bark collectors employees of Hauser Northwest, Inc. Both are independent business people who meet the definition of "independent contractor" in the state where they are located. That means that collectors are not under the direct control of Hauser Northwest, Inc. as employees, but are free to accomplish the job of collecting yew bark in the manner in which they deem appropriate. They must meet all legal requirements for yew bark harvesting, and consistently meet or exceed Hauser Northwest and landowner harvesting guidelines.

Collectors must meet all applicable tests for independent contractor status. Individuals should contact their attorney for the specific requirements for the state in which they operate. Some of the tests may require independent contractors to:

- obtain all the necessary state and local business licenses;
- supply transportation for crews when required by landowner;
- furnish all the necessary tools and equipment to do the job;
- handle all personnel requirements, including hiring employees sufficient to accomplish harvesting targets;
- Supply transportation to and from the work site unless otherwise agreed;
- maintain current business records that meet local, state and federal requirements;
- provide continuous workers' compensation insurance coverage for all employees and evidence of continuous coverage.

While Hauser Northwest does not control the time, method or manner of collecting yew bark by independent contractors, it can and does require specific results. Those results include but are not limited to:

- Collection of specified quantities of yew bark within specified periods.
- Compliance with all private, local, state and federal permit and other collection requirements including but not limited to:
 - Private, state and federal forest practices requirements, and
 - Private, state and federal fire requirements, and
 - State and federal Occupational Safety Health Administration requirements.
- Responsibility for securing permits in Hauser Northwest's name from land owners that allow collection of yew bark and responsibility for maintenance of successful working relations with those land owners.

- Responsibility for use of environmentally sensitive collection methods that meet or exceed procedural requirements established by the landowner or Hauser Northwest.
- Control, supervision and monitoring of subcontractors and employees.
- Inspection of units to ensure adherence to utilization standards for all bark collection areas.
- Documentation of the source and quantity of bark harvested pursuant to Hauser Northwest, Inc. permits, contracts and agreements.
- Survey of units to be harvested and transfer of information to Hauser Northwest to document yew bark sources.

Collectors must be able to meet or exceed basic specifications and guidelines for yew bark quantity, condition and method of collection. These specifications and guidelines are designed to assure that yew bark will be collected legally and in an environmentally sensitive manner.

Harvest Supervisor

The field supervisor is designated by the collector and is responsible for direction and supervision of the crew on an area basis. A supervisor must be designated at each collection site who is responsible for weighing bark as it is collected, certifying that bark is that of *Taxus brevifolia*, and is accountable for the harvest permit and map, bag tags and trip tickets. The harvest supervisor assures that his crew of harvesters adheres to regulations, laws and landowner requirements concerning bark collection and must deliver peeled bark to the collector.

Harvester

The harvester peels and collects the bark and must work directly in cooperation with the field supervisor to ensure that all peelable bark meeting the current utilization standard is collected. Bark must be clean, free of contamination, and certified to be that of the Pacific yew.

Supply Agreement

Before being accepted as a Hauser Northwest bark collector, a supply agreement must be signed. The supply agreement is intended to govern the terms and conditions of bark purchase. A sample specific to Oregon follows.

AGREEMENT (OREGON)

PARTIES:

HAUSER NORTHWEST, INC. (Hauser)
78120 Highway 99 South
Cottage Grove, OR 97424

(Collector)

RECITALS:

A. Hauser seeks to obtain from the Collector an amount of yew bark specified in a purchase order to be furnished to the Collector. The Collector is designated by Hauser Northwest and must meet all requirements in the collector handbook as well as the conditions of this agreement.

AGREEMENTS:

1. **PURCHASE ORDERS.** Hauser shall issue to the Collector a purchase order specifying the amount and unit rate of the yew bark to be delivered by the Collector to Hauser. In addition, the purchase order may also set forth additional terms and conditions of the purchase.
2. **LAWFUL HARVEST.** The Collector must provide to Hauser proof satisfactory to Hauser and to the applicable landowner that any yew bark provided by the Collector to Hauser was lawfully removed from either public or private lands in accordance with a written permit. In the event that the Collector is unable to provide such satisfactory proof, Hauser may require that the Collector provide Hauser with proof of the Collector's identification, such as a photograph of the Collector and a description of the Collector's vehicle to be used in the harvesting of the yew bark. Such requirements may be imposed as a condition to the future purchase of additional yew bark by Hauser from the Collector.
3. **LABOR AND EQUIPMENT.** The Collector must provide all labor, equipment and transportation necessary to harvest and deliver the yew bark to Hauser at its location specified above (Some private landowners require crew transportation.).
4. **METHODS AND HOURS.** The Collector is free to determine the means and methods that will be used to harvest and deliver the yew bark to Hauser; provided that the Collector shall comply with all government and landowner requirements and guidelines including but not limited to determination of harvest sites, volumes and stump height. Copies of some of the relevant governmental and landowner requirements are attached to this agreement. In addition, the Collector shall provide proof satisfactory to Hauser and the applicable landowner that all government and landowner record keeping requirements have been met. The Collector is free to set their own hours and to perform services for others.

5. WORKERS' COMPENSATION. If the Collector intends to employ an individual, other than the Collector if the Collector is an individual, for the purpose of harvesting and delivering the yew bark to Hauser, the Collector agrees that it will provide current workers' compensation coverage on all of the individuals performing work for the Collector with the following exceptions:

a. If the Collector is a corporation, officers of the Collector, who are also directors and have a substantial ownership interest in Collector, need not be covered by workers' compensation coverage providing each such officer execute the indemnification provisions of this agreement.

b. If the Collector is a partnership or a sole proprietor, the partners or the individual who is the sole proprietor need not be covered by workers' compensation coverage, provided that they each execute the indemnification provisions of this contract.

6. PERFORMANCE BOND OR LETTER OF CREDIT. The Collector shall post a Performance Bond or Letter of Credit of acceptable grade to Hauser, in the amount of \$ _____. If Collector should fail to perform all of Collector's obligations under this contract, then Collector shall, at the option of Hauser, forfeit to Hauser all of said Performance Bond or Letter of Credit as liquidated damages, or an amount determined by Hauser to be equal to the damages incurred therefore; provided, however, if actual damages should exceed the amount of such bond then Hauser shall not be limited to such remedy.

7. LIABILITY INSURANCE. The Collector shall obtain and maintain during the term hereof:

a. liability insurance covering all motor vehicles exercising rights under this permit, with limits not less than \$100,000.00 for bodily injury and \$300,000.00 for property damage, and

b. liability insurance covering all operations, other than motor vehicle operations as set forth above, in the exercise of rights under this contract or on lands in the vicinity of operations allowed under this contract, including contractually assumed liabilities and third party fire and property damage coverage, with limits not less than \$100,000.00 for bodily injury and \$300,000.00 for property damage.

Such insurance shall be issued by an insurance company acceptable to Hauser, and shall include an endorsement requiring thirty (30) day's notice to Hauser prior to cancellation.

8. PROOF OF WORKERS' COMPENSATION COVERAGE AND PERFORMANCE BOND OR LETTER OF CREDIT AND LIABILITY INSURANCE. The Collector shall provide to Hauser proof of the Collector's compliance with paragraphs 5, 6 and 7 above. A list of all employees who will harvest and deliver yew bark to Hauser and proof of workers' compensation coverage shall be provided to Hauser prior to the beginning of any harvesting of yew bark to be sold to Hauser and prior to any purchase by Hauser of yew bark from the Collector. If the Collector intends to hire an employee after the beginning of harvesting, Collector must notify Hauser before that employee begins harvesting or delivering yew bark and Collector must provide Hauser with proof of workers' compensation coverage before that employee begins harvesting or delivering yew bark.

9. **INDEPENDENT CONTRACTOR STATUS.** The Collector is an independent contractor and is responsible for all payroll, unemployment compensation payments, payroll withholding, payroll taxes and all insurance premiums, including workers' compensation insurance and all other performances required by applicable law from any federal or state agency for any individual providing services to the Collector for the purpose of harvesting or delivering yew bark to Hauser. Collector's EIN is _____. Neither the Collector nor any of the Collector's workers or officers are employees of Hauser. In addition, the Collector is responsible for obtaining all assumed business registrations or professional licenses required by law, and must file all applicable tax returns if the Collector performed services as an independent contractor in the year prior to _____ the year this contract is executed.

10. **SUBCONTRACTS.** The Collector may not subcontract any portion of its harvesting or delivery of yew bark to Hauser without the prior written consent of Hauser, to be given in Hauser's sole direction. If Hauser does so consent, Hauser may set any terms and conditions of such consent. Specifically, all workers' compensation obligations set forth herein shall be satisfied by the Collector's subcontractor and by all of such subcontractor's employees. Satisfactory proof of any required workers' compensation coverage under the terms of this agreement shall be provided by such subcontractor to Hauser prior to the commencement of any work by such subcontractor, and from time to time thereafter upon the request of Hauser.

11. **HOLD HARMLESS.** The Collector will indemnify and hold Hauser harmless from and against any and all claims or liabilities arising out of the Collector's performance hereunder.

12. **DAMAGES OR INJURY.** The Collector is responsible for any damage or injury to property or person resulting from the harvesting or delivery of yew bark to Hauser or an agent of Hauser.

13. **LEGAL COMPLIANCE.** The Collector, at the Collector's expense, shall promptly and completely observe and comply with all present and future laws, orders, regulations, rules, ordinances and requirements or any governmental body with respect to the harvesting and delivery of yew bark to Hauser.

14. **LEGAL PROCEEDINGS.** In case any legal proceeding is instituted in connection with any controversy arising out of this agreement or the enforcement of any rights hereunder, or this agreement is successfully asserted as a defense in any legal proceeding, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable as attorney fees, including fees on any appeal.

HAUSER NORTHWEST, INC.

DATE

By _____

Collector

DATE

By _____

INDEMNIFICATION AGREEMENT

The indemnitor executing this agreement, as indicated below, elect exclusion coverage under the workers' compensation laws of this state. If the Collector is a corporation, each indemnitor represents that he or she is an officer and director of the Collector and has a substantial ownership interest in the Collector. If the Collector is a partnership, each indemnitor is a partner in the Collector, and if the Collector is a sole proprietorship, the indemnitor is the sole proprietor of the Collector.

In consideration for Hauser agreeing to obtain yew bark from the Collector, the undersigned, and each of them, hereby waive any and all claims, demands or causes of action arising out of, or in connection with, injuries that any of the undersigned may suffer in connection with the harvesting and delivery of yew bark to Hauser, even though that injury may have been caused by the negligence of the Collector or of any of its officers and directors.

Should it be determined that the undersigned, or any of them, are subject to claims under the workers' compensation laws, or that Hauser had any obligation to provide workers' compensation for the undersigned, the undersigned, and each of them, will indemnify and hold Hauser harmless from any contributions or payments made by Hauser under the workers' compensation laws or an a non complying law.

The undersigned acknowledge that Hauser is able to pay a greater sum to the Collector for its supply of yew bark to Hauser because the Collector is an independent contractor rather than an employee of Hauser performing its services. For that reason, among other, Hauser has no obligation to provide workers' compensation coverage to the employees of the Collector, including the undersigned.

In the case any legal proceeding is instituted in connection with any controversy arising out of this agreement or the enforcement of any rights hereunder, this agreement is successfully asserted as a defense in any legal proceeding, the prevailing party shall be entitled to recover, in addition to costs, such damages as the court may adjudge reasonable as attorney fees, including fees on any appeal.

INDEMNITOR

By _____

By _____

By _____

Specific Collector Responsibilities

1. Pacific yew Availability
 - On Private and State Lands--
Field verify information provided on Hauser Northwest's yew pre-harvest estimate form. Return a copy of the form to Hauser Northwest for entry into database.

 - On Forest Service and BLM lands--
Field verify information provided by the yew coordinators to ensure estimates are correct. Return a copy of yew pre harvest estimate to Hauser Northwest or local processor for entry into database.
2. Obtain permit in Hauser Northwest's name and a map for the area to be harvested.
3. Furnish a copy of the harvest permit to Hauser Northwest, Inc. prior to harvest. Harvest permits are issued by private landowners.
4. Obtain state operating permit, issued by the Oregon Department of Forestry. Provide a copy of the operating permit to Hauser Northwest.
5. Provide permit with map, trip ticket, and bag tags to field supervisor.
6. Oversee supervision of the harvest area to ensure that:
 - field supervisor is on site at all times.
 - harvest guidelines are being met.
 - environmentally sound harvest practices are being used.
 - yew bark is being utilized to meet or exceed Hauser standards.
 - all provisions of the landowner permit are being met.
 - accountability standards are being met including:
 - fully completing trip tickets and bag tags.
 - field weighing bags of bark.
 - attaching bag tags to bags.
 - delivering Part A of trip ticket to the local Forest Service, BLM or landowner.
 - mailing Part B back to the agency or landowner after certifying the weight.
 - operation is in compliance with all state and federal laws.
 - landowner is satisfied with the operation, and if not, see that steps are taken to correct the situation.
 - field supervisor and harvesters are working in a safe manner.
7. Receive bark delivered by field supervisors, certify weight of bags, and accept parts B, C and D of the trip ticket. Field supervisor will return unused bag tags to collector who will reissue or cancel tags.

8. A five-part trip ticket will be used for yew bark from all land ownerships. The ticket serves as authorization for harvest in a Hauser Northwest permitted area and to haul the bark harvested and must be clearly displayed in the window of the vehicle transporting bark. Part E of the trip ticket must be attached to the back of the load where it is visible and must be turned in to the processor when bark is delivered.

It is important to note that collectors will be paid based on the information on part C of the ticket, therefore it is essential that harvest supervisors press hard when filling them out and that all tickets be accounted for.

9. Notify Hauser Northwest when harvest area is completed and when crew is ready to move to next harvest area.

10. Deliver bark to the processor, designated by Hauser.

11. Bark must be clean and free of moss, dirt, twigs, mold, etc. If bark is contaminated in any way, payment will be reduced proportionally at the processor's reasonable discretion.

12. No delivery of bark will be accepted or paid for without total compliance with permits, trip tickets and bag tags.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Pacific Yew Trip Ticket

Permit No. or Contract No.	Permit/Contract Termination Date
Township _____ Range _____ Section _____ Ctr Sec/Unit _____	
Pounds _____ Field Weighed by _____ Print Name _____	
Pounds _____ Weight Certified by _____ Print Name _____	
Code No. _____ Processor _____ Collector _____ Supervisor _____ Gross Vol. to Wt. _____	
Vehicle Description _____ Sta. _____ License No. _____	
Bag Tag Numbers _____	
Certification of Taxus brevifolia (field supervisor _____) No. Bags in Load _____	

Time Load Leaves Collection Area
AM 1 2 3 4 5 6 7 8 9 10 11 12 PM

D

1	2	3	4	5	6	7	8	9	10	11
12	13	14	15	16	17	18	19	20	21	22
23	24	25	26	27	28	29	30	31		

Pacific Yew Trip Ticket

JAN		JUL
FEB		AUG
MAR	Pounds _____ (field weight)	SEPT
APR	Instructions: Attach to load where clearly visible from the back of vehicle.	OCT
MAY		NOV
JUN		DEC

Time Load Leaves Collection Area
AM 1 2 3 4 5 6 PM
7 8 9 10 11 12

Collector's Field Supervisor Responsibilities

Field supervisors work directly for the collector and are responsible for supervision of harvesters, collection activities and delivery of peeled bark to the collector. The field supervisor is designated by the collector and is responsible for direction and supervision of the crew on an area basis.

The field supervisor assures that his crew of harvesters adheres to regulations, laws and landowner requirements concerning bark collection. The following requirements may be required of supervisors by the collectors for whom they work:

- be on collection site at all times when crews are working.
- ensure harvest guidelines are being met.
- ensure yew bark is being utilized to meet or exceed Hauser or landowner standards.
- ensure all provisions of the landowner permit are being met.
- have a valid permit with a map attached in possession at all times.
- ensure accountability standards are being met including:
 - fully completing the following information on trip tickets and bag tags:
 - permit or contract number
 - permit or contract termination date
 - landowner name
 - Ranger District or Resource Area
 - number of bags in load
 - pounds field weight
 - name of person who field weighed bag and load
 - bag tag numbers
 - code number of processor, collector and supervisor
 - gross vehicle weight
 - vehicle description
 - license number and state
 - certification of *Taxus brevifolia*
 - punching out date and time on trip ticket.
 - field weighing bags of bark to the nearest pound.
 - attaching bag tags to bags.
 - delivering Part A of the trip ticket to the location specified by collector
- deliver bark to collector.
- ensure harvesters are working in a safe manner.

Bark must be clean and free of moss, dirt, twigs, mold, etc. If bark is contaminated in any way, payment will be reduced proportionately. No delivery of bark will be accepted or paid for without total compliance with permits, trip tickets and bag tags.

Collector Bag Tag Use

The collector is responsible for assigning sequentially numbered "bag tags" to each operation. A bag tag must be attached to each bag prior to leaving the collection site. The collector or harvest supervisor is responsible for ensuring that all information is filled out on each tag, in ink.

All bark must be field weighed and the weight recorded on the bag tag. The harvester's signature on the bag certifies that the bark is *Taxus brevifolia* (Pacific yew).

The collector must record the number of each bag tag on the trip ticket and record the trip ticket number on each bag tag. Bag tags must stay attached to bags until they are delivered to the processor.

HAUSER NORTHWEST, INC. Bag Tag No 00000		
Trip Ticket No.	_____	
Date Harvested	_____	
Pounds	_____	
Field weight	_____	
Code No.	Processor	Collector Supervisor
Harvester	_____	
<small>(initials)</small>		
Certification of	_____	
<small><i>Taxus brevifolia</i> (harvester signature)</small>		

Collector Reporting Requirements

Collectors must keep records of all supervisors and harvesters working for them. The following information must be kept to satisfy bark harvest accountability requirements:

- Harvest supervisor's name, address and business name (if any) and social security number.
- Harvester's name, address and business name (if any) and social security number.
- A list of which harvesters are working for each harvest supervisor.
- License number and vehicle description of the rig being used to transport bark, for each harvest supervisor.
- List of trip tickets and bag tags assigned to each harvest supervisor.
- Proof of Workers' Compensation, liability insurance, and Performance Bond or Letter of Credit.

These records must be updated daily and must be open for inspection by Hauser or landowner's designated representative, if requested. Record keeping forms will be provided by Hauser Northwest.

Processor/Collector/Supervisor Code

The codes for processors, collectors and supervisors will be used in the database to track the origin of yew products. Collectors must ensure that the code is entered on each bag tag and trip ticket. All codes are two digit. All digits must be recorded.

The codes will be pre-assigned by Hauser for each individual or site. The processor codes are as follows:

- 10 Cottage Grove, OR
- 30 Mossy Rock, WA
- 40 Orofino, ID
- 50 Noxon, MT

Purchase Orders

Collectors must have a purchase order for bark prior to collecting and delivering bark to the processor. The purchase order specifies the price and processor where it is to be delivered. All conditions specified on the purchase order must be met by the collector.

NO BARK WILL BE ACCEPTED BY ANY HAUSER PROCESSOR WITHOUT A PURCHASE ORDER, PERMIT, TRIP TICKETS, AND BAG TAGS.

Stumpage Payments

Collectors must record all payments made to agencies or private landowners for permits for bark collection. Collectors will be reimbursed for stumpage at a rate not to exceed 30¢ per pound. Reimbursement requests for stumpage payments shall be made prior to harvest. Hauser Northwest must receive a copy of the permit along with requests for stumpage reimbursement. Failure to provide copies of permits for reimbursement of stumpage fees within 60 days may result in non-payment.

Payment Procedures

Collectors will be paid for all bark collected and delivered to processor the week following delivery. Checks for the previous week's delivery will be mailed the following Monday.

Penalties will be assessed for incomplete trip tickets and bag tags or contaminated bark or for the delivery of material other than *Taxus brevifolia* bark.

General Peeling Guidelines

The following guidelines will apply in most cases. However, if the following guidelines contradict any of the specific requirements of your permit, the permit guidelines take precedence.

You must follow the specific guidelines in your permit. If you have questions, or are unsure of whether or not a guideline applies, please get clarification **BEFORE** peeling!

1. Peel trees 3 inches in diameter or greater at the cut.
2. Peel down to 2 inch diameter at the top and peel all limbs to 2 inch diameter.
3. Leave a 12 inch stump with bark intact, or follow landowner's guidelines.
4. Leave all suckers below the cut to better ensure the stump's chances of survival.
5. If it is necessary to buck felled trees, cut into 8 foot lengths or to multiples of 8 feet.
6. Do not leave hang-ups.
7. Follow landowner's requirements for protecting streams.
8. Trees that are scarred or have other physical features that prevent them from being peeled must be flagged with designated flagging and recorded on a sale area map to allow monitoring by the landowner.
9. Bark must be clean and free of moss, dirt, twigs, mold, etc. If bark is contaminated in any way, payment will be reduced.

Safety

You are responsible for seeing that your crews work safely and according to state and federal Occupational Safety and Health Administration regulations. Impress on your crews that **NO ACCIDENT IS ACCEPTABLE!** It is to your benefit and, obviously to their own benefit that no one be injured on the job. In case of emergency, contact the landowner or nearest Forest Service or BLM office and notify Hauser Northwest.

Operating Permits

In some states, you are required to obtain an operating permit prior to beginning operations on any ownership, if during your operation you will cut down standing trees on private lands or those administered by the state, Forest Service or BLM. It is your responsibility to know when you need operating permits and to have them in your possession prior to harvesting.

If you have questions about operating permits, call the state Department of Forestry, Department of State Lands or Department of Natural Resources office nearest you.

If you are operating without required permits, **GET THEM IMMEDIATELY!**

Fire Season

Fire season places special requirements on each of us. Please act with caution and common sense. **DO NOT** smoke in any harvest unit during fire season!

Chainsaw mufflers must be Forest Service approved. Check with Forest Service representatives for specifics of compliance.

Also, when working with a chain saw during fire season, you must have an approved shovel and fire extinguisher with you at all times. Check with the Forest Service, BLM, or state for specifications. Operate saws only during specified times during fire season.

Every vehicle used to travel to the woods during fire season must have a fire extinguisher and shovel mounted in a safe place. This shovel and fire extinguisher is in addition to the set to be kept with the chain saw.

It is your responsibility to be informed on fire regulations and to comply with fire requirements.

Camping

Camp only in designated spots. When on Forest Service land, you may be required to camp in areas designated as industrial camping sites. You must have a permit to camp in these areas and must comply with all permit requirements.

Illegal Harvest of Yew Products

All Hauser employees and contractors are expected to cooperate with agency, local, county and state law enforcement officials. If you suspect someone is collecting bark or other yew products without a permit, call the Hauser Northwest office at (503) 942-9655 and the appropriate law enforcement agency.

**HAUSER NORTHWEST HAS A ZERO TOLERANCE POLICY TOWARD
POACHING OR TRADE IN BARK OBTAINED ILLEGALLY.**

If you have information about illegal yew harvest, call 1-800-628-BARK.

Working with the Media

NCI Director Dr. Samuel Broder calls taxol "The most important new drug to come along that has a practical potential for clinical application within the National Cancer program in 10 or 15 years." Because this is so, anything related to taxol production, including collection of bark, generates intense media interest.

It is possible that you will be contacted by representatives of the local or national media, or by independent writers and film makers. Your first impulse may be to avoid contact with media people, since most of us are naturally shy when confronted by reporters. Rather than avoid the media, or create antagonism by refusing to comment, please refer them to Hauser Northwest employees for comment.

All referrals should be made to Phil Hassrick at Hauser Northwest, (503) 942-9655 or Hauser Chemical Research, Inc. (303) 443-4662.

Estimation of Quantity

Following is a chart to aid in roughly estimating the quantity of bark from trees and limbs based on the height or length and diameter.

Diameter (inches)	Height or Length (feet)	Pounds (green weight)
3	8	2 - 5
4	8 - 16	4 - 8
6	16 - 24	8 - 14
8	16 - 24	14 - 25
10	16 - 24	30 - 40
12	16 - 24	30 - 50
14	24 - 32	40 - 60
16	24 - 32	50 - 80
18	32 - 40	70 - 100
20	40 - 48	80 - 120
24	40 - 48	100 - 140
28	48 - 56	100 - 160

Note: These are average poundages. Due to the shape and irregularity from one yew tree to another, there can be large differences in poundages.

Users Check List for Collector

Collector _____ Code _____
Address _____
Interviewer _____

DATE

Description of Material or Activity

1. Collector Interviewed:
2. Collector Packet received:
3. Collector qualifications questionnaire received:
4. Discuss list of requirements prior to start-up:
5. State and Local Business License received:
6. Proof of Workers Compensation Insurance received:
7. Performance Bond received:
8. Proof of FICA/Unemployment Insurance received:
9. Proof of Liability Insurance received:
10. Collector Supply Agreement Signed:
11. Hauser P.O. (effective for 1 month); date copy to H.N.W./C.G.:
12. Oregon State Forest practices/requirements met:
13. Oregon State & Federal fire requirements met:
14. OSHA requirements (Safety) met or exceeded:
15. Certified Weighing Scales received:

Comments: _____

Collector Qualification Questionnaire and References

Name _____
Address _____
Phone Number _____

1. List Education and Background

Highschool _____
(name and address)
Completed: Yes _____ No _____
College(s) _____
(name & address)
_____ (name & address)
Trade School
and Others _____
(name and address)
_____ (name & address)
_____ (name and address)

2. Employment, Experience Background

Employed by: _____
(name and address)
Length of Employment _____
Employed by _____
(name and address)
Length of Employment _____
Employed by _____
(name & address)
Length of Employment _____
Employed by _____
(name & address)
Length of Employment _____

3. Criminal Convictions (if any) Yes _____ No _____

Please explain: _____

THIS DOES NOT NECESSARILY BAR FROM COLLECTION POSITION.

4. Business References: (List name & phone)

collector.ref\kordon

5. Personal References (List name and phone)

By signing and dating this questionnaire, I give Hauser Northwest, Inc. of 78120 Highway 99 South, Cottage Grove, Oregon, authorization to:

Contact references listed above

Obtain a credit report and release Hauser Northwest from any liability in obtaining such report

I certify with my signature that I have given true and complete information on this questionnaire.

(Signature)

(Date)

AGREEMENT
(OREGON)

PARTIES:

HAUSER NORTHWEST, INC. (Hauser)
78120 Highway 99 South
Cottage Grove, OR 97424

_____ (Collector)

RECITALS:

A. Hauser seeks to obtain from the Collector an amount of yew bark specified in a purchase order to be furnished to the Collector. The Collector is designated by Hauser Northwest and must meet all requirements in the collector handbook as well as the conditions of this agreement.

AGREEMENTS:

1. PURCHASE ORDERS. Hauser shall issue to the Collector a purchase order specifying the amount and unit rate of the yew bark to be delivered by the Collector to Hauser. In addition, the purchase order may also set forth additional terms and conditions of the purchase.

2. LAWFUL HARVEST. The Collector must provide to Hauser proof satisfactory to Hauser and to the applicable landowner that any yew bark provided by the Collector to Hauser was lawfully removed from either public or private lands in accordance with a written permit. In the event that the Collector is unable to provide such satisfactory proof, Hauser may require that the Collector provide Hauser with proof of the Collector's identification, such as a photograph of the Collector and a description of the Collector's vehicle to be used in the harvesting of the yew bark. Such requirements may be imposed as a condition to the future purchase of additional yew bark by Hauser from the Collector.

3. LABOR AND EQUIPMENT. The Collector must provide all labor and equipment necessary to harvest and deliver the yew bark to Hauser at its location specified above.

4. METHODS AND HOURS. The Collector is free to determine the means and methods that will be used to harvest and deliver the yew bark to Hauser; provided that the Collector shall comply with all government and landowner requirements and guidelines including but not limited to determination of harvest sites, volumes and stump height. Copies of some of the relevant governmental and landowner requirements are attached to this agreement. In addition, the Collector shall provide proof satisfactory to Hauser and the applicable landowner that all government and landowner record keeping requirements have been met. The Collector is free to set their own hours and to perform services for others.

5. WORKERS' COMPENSATION. If the Collector intends to employ an individual, other than the Collector if the Collector is an individual, for the purpose of harvesting and delivering the yew bark to Hauser, the Collector agrees that it will provide current workers' compensation coverage on all of the individuals performing work for the Collector with the following exceptions:

a. If the Collector is a corporation, officers of the Collector, who are also directors and have a substantial ownership interest in Collector, need not be covered by workers' compensation coverage providing each such officer execute the indemnification provisions of this agreement.

b. If the Collector is a partnership or a sole proprietor, the partners or the individual who is the sole proprietor need not be covered by workers' compensation coverage, provided that they each execute the indemnification provisions of this contract.

6. PERFORMANCE BOND OR LETTER OF CREDIT. The Collector shall post a Performance Bond or Letter of Credit of acceptable grade to Hauser, in the amount of \$10,000. If Collector should fail to perform all of Collector's obligations under this contract, then Collector shall, at the option of Hauser, forfeit to Hauser all of said Performance Bond or Letter of Credit as liquidated damages, or an amount determined by Hauser to be equal to the damages incurred therefore; provided, however, if actual damages should exceed the amount of such bond then Hauser shall not be limited to such remedy.

7. LIABILITY INSURANCE. The Collector shall obtain and maintain during the term hereof:

a. liability insurance covering all motor vehicles exercising rights under this permit, with limits not less than \$100,000.00 for bodily injury and \$300,000.00 per incident, and \$100,000 for property damage, and

b. liability insurance covering all operations, other than motor vehicle operations as set forth above, in the exercise of rights under this contract or on lands in the vicinity of operations allowed under this contract, including contractually assumed liabilities and third party fire and property damage coverage, with limits not less than \$100,000.00 for bodily injury and \$300,000.00 per incident, and \$100,000 for property damage.

Such insurance shall be issued by an insurance company acceptable to Hauser, and shall include an endorsement requiring thirty (30) day's notice to Hauser prior to cancellation.

8. PROOF OF WORKERS' COMPENSATION COVERAGE AND PERFORMANCE BOND OR LETTER OF CREDIT AND LIABILITY INSURANCE. The Collector shall provide to Hauser proof of the Collector's compliance with paragraphs 5, 6 and 7 above. A list of all employees who will harvest and deliver yew bark to Hauser and proof of workers' compensation coverage shall be provided to Hauser prior to the beginning of any harvesting of yew bark to be sold to Hauser and prior to any purchase by Hauser of yew bark from the Collector. If the Collector intends to hire an employee after the beginning of harvesting, Collector must notify Hauser before that employee begins harvesting or delivering yew bark and Collector must provide Hauser with proof of workers' compensation coverage before that employee begins harvesting or delivering yew bark.

9. INDEPENDENT CONTRACTOR STATUS. The Collector is an independent contractor and beginning of the execution of this contract, is responsible for all payroll, unemployment compensation payments, payroll withholding, payroll taxes and all insurance premiums, including workers' compensation insurance, and all other performances required by applicable law from any federal or state agency for any individual providing services to the Collector for the purpose of harvesting or delivering yew bark to Hauser. Collector's EIN is _____ . Neither the Collector nor any of the Collector's workers or officers are employees of Hauser. In addition, the Collector is responsible for obtaining all assumed business registrations or professional licenses required by law, and must file all applicable tax returns if the Collector performed services as an independent contractor in the year prior to, the year this contract is executed.

10. SUBCONTRACTS. The Collector may not subcontract any portion of its harvesting or delivery of yew bark to Hauser without the prior written consent of Hauser, to be given in Hauser's sole direction. If Hauser does so consent, Hauser may set any terms and conditions of such consent. Specifically, all workers' compensation obligations set forth herein shall be satisfied by the Collector's subcontractor and by all or such subcontractor's employees. Satisfactory proof of any required workers' compensation coverage under the terms of this agreement shall be provided by such subcontractor to Hauser prior to the commencement of any work by such subcontractor, and from time to time thereafter upon the request of Hauser.

11. HOLD HARMLESS. The Collector will indemnify and hold Hauser harmless from and against any and all claims or liabilities arising out of the Collector's performance hereunder.

12.DAMAGES OR INJURY. The Collector is responsible for any damage or injury to property or person resulting from the harvesting or delivery of yew bark to Hauser or an agent of Hauser.

13.LEGAL COMPLIANCE. The Collector, at the Collector's expense, shall promptly and completely observe and comply with all present and future laws, orders, regulations, rules, ordinances and requirements or any governmental body with respect to the harvesting and delivery of yew bark to Hauser.

14.LEGAL PROCEEDINGS. In case any legal proceeding is instituted in connection with any controversy arising out of this agreement or the enforcement of any rights hereunder, or this agreement is successfully asserted as a defense in any legal proceeding, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable as attorney fees, including fees on any appeal.

HAUSER NORTHWEST, INC.

DATE By _____
Collector

DATE By _____

INDEMNIFICATION AGREEMENT

1. The indemnitor executing this agreement, as indicated below, elect exclusion from coverage under the workers' compensation laws of this state. If the Collector is a corporation, each indemnitor represents that he or she is an officer and director of the Collector and has a substantial ownership interest in the Collector. If the Collector is a partnership, each indemnitor is a partner of the Collector, and if the Collector is a sole proprietorship, the indemnitor is the sole proprietor of the Collector.

2. In consideration for Hauser agreeing to obtain yew bark from the Collector, the undersigned, and each of them, hereby waive any and all claims, demands or causes of action arising out of, or in connection with, injuries that any of the undersigned may suffer in connection with the harvesting and delivery of yew bark to Hauser, even though that injury may have been caused by the negligence of Hauser or of any of its officers and directors.

3. Should it be determined that the undersigned, or any of them, are subject workers under the workers' compensation laws, or that Hauser had any obligation to provide workers' compensation for the undersigned, the undersigned, and each of them, will indemnify and hold Hauser harmless from any contributions or payments made by Hauser under the workers' compensation laws or as a non-complying employer.

4. The undersigned acknowledge that Hauser is able to pay a greater sum to the Collector for its supply of yew bark to Hauser because the Collector is an independent contractor rather than an employee of Hauser performing its services. For that reason, among other, Hauser has no obligation to provide workers' compensation coverage to the employees of the Collector, including the undersigned.

5. In case any legal proceeding is instituted in connection with any controversy arising out of this agreement or the enforcement of any rights hereunder, or this agreement is successfully asserted as a defense in any legal proceeding, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable as attorney fees, including fees on any appeal.

INDEMNITOR

_____ By _____
DATE

_____ By _____
DATE

_____ By _____
DATE