

COEUR D'ALENE TRIBE
Contract for 2012 John Point TSI

This Contract ("Contract") is entered into between the Coeur d'Alene Tribe, P.O. Box 408, Plummer, ID, 83851, ("Tribe"), by and through its Coeur d'Alene Tribal Forestry Program, and _____, by and through its agent _____, for pruning, thinning and slash treatment in areas specified herein on Exhibit A, on the Coeur d'Alene Tribe's John Point Block.

Recitals

- A. The Coeur d'Alene Tribe is a sovereign nation, recognized by executive order and other federal law, with its own government, unique culture and history and a variety of natural resources on its Coeur d'Alene Reservation, including timber reserves and forestlands, and
- B. The Coeur d'Alene Tribe wishes to contract with an entity whose agents possess the skills and capabilities to prune lower branches from crop trees and remove excess small trees and brush from certain areas on the Tribe's reservation.
- C. The above-named Contractor claims to possess such skills and capabilities.
- D. The foregoing Recitals are hereby incorporated into and made an integral part of this Contract.
- E. The Coeur d'Alene Tribe's Forest Development Forester, Norris Boothe and/or Forest Development Technician, Ron LaSarte will be the Tribe's Contract Representative (CR).
- F. The Contractor's Representative is Contractor's name.

Terms

Contractor agrees to perform such professional services as are set forth in this Contract, and the Tribe agrees to pay Contractor such amounts as are specified in this Contract, all upon the following terms and conditions:

1.0 Scope of Services

- 1.1 The treatment units shown on the map labeled Exhibit A are 23 year old plantations bounded by roads, property lines, old fire lines or otherwise identified by flagging hung from vegetation along these boundaries.
- 1.2 Contractor agrees to cut or otherwise remove excess trees, as specified in Section 2.1 Thinning in the "Technical Specifications", which is attached hereto as Exhibit B and which is hereby fully incorporated into and made a part of this Contract.
- 1.3 Contractor agrees to remove the lower limbs from all preferred species crop trees within the treatment blocks, as specified in Exhibit B, Section 2.2 Pruning.
- 1.4 Contractor agrees to treat or remove slash as specified in Exhibit B, Section 2.3 Slash Treatment.
- 1.5 Contractor shall perform all required services in connection with this project, including furnishing all necessary professional and clerical personnel, transportation, supplies and equipment.

2.0 Term and termination

- 2.1 The Contractor will begin work as soon as possible after receiving the signed copy of this Contract and the notice to proceed, weather permitting. All work shall be completed within a reasonable time of initiating work on this contract.
- 2.2 The Contract **will terminate on November 30, 2012**, or upon completion of contract services, whichever is sooner.
- 2.3 This Contract may be terminated by the Coeur d'Alene Tribe or by the Contractor without cause upon 10 days written notice, or sooner if both parties agree. This Contract shall terminate if tribal funds cease to be available.

2.4 The Tribe may terminate this contract without penalty or cost at any time if the work being performed by the Contractor is determined by the Tribe, in its sole discretion, not to be reasonably satisfactory.

2.5 Either party may terminate this contract upon a breach by the other.

2.6 If this agreement is terminated pursuant to this section, the terminating party shall send written notice of same. The Contractor will receive payment only for work completed to contract specifications, as computed based on the methods described in section 3.0. The Contractor shall remove all equipment, personal property and debris from the project area within two weeks following contract termination.

2.7 If the contract is terminated by the Tribe pursuant to provision 2.4, the costs incurred by the Tribe in hiring a replacement contractor will be deducted from the performance bond and/or any payment due to the Contractor.

3.0 Payment

3.1 The total amount to be paid under this contract, contingent upon the Coeur d'Alene Tribe's approval of the Contractor's work, will be:

TSI BLOCK	ACRES	BID RATE PER UNIT	TOTAL BID PRICE
John Point NE	20.4	/acre	
John Pt. N	50.1	/acre	
John Pt. NW	40.5	/acre	
John Pt. MID	44.2	/acre	
S. John Pt. N	58.9	/acre	
S. John Pt. MID	29.4	/acre	
S. John Pt. S	25.3	/acre	
John Creek	22.4	/acre	
TOTAL	291.2 acres	CONTRACT TOTAL	\$ 0.00

3.2 The CR shall inspect each TSI block or partial block as specified in Exhibit B, Section 3.2 to determine satisfactory completion of services required by this contract and provide % Quality results to the Contractor.

3.3 The Tribe shall pay the Contractor for blocks accepted by the Tribe, upon submission of periodic invoices specifying acres accomplished and documented with field inspection reports, less any deductions required below.

3.4 Payment rates are subject to Exhibit B, Section 3.4 Payment Adjustments.

3.5 Deductions: merchantable sawlog material cut or damaged by the Contractor will be charged as follows and deducted from any payments due: western redcedar @ \$450.00 per gross thousand board feet (MBF) and Douglas-fir & other species @ \$250 per MBF. Minimum merchantability standards are at least 12 feet in length with a minimum scaling diameter of 6 inches on the small end.

3.6 Partial payments may be requested for accepted areas and made no more often than once every 2 weeks.

4.0 Tribal Employment Rights Ordinance (TERO)

Contractor is required to complete a TERO Compliance Plan and have it approved before initiating work. Contractor is responsible for filing payroll reports and following all other aspects of the TERO in hiring and conduct of the work. Contact James Nilson at (208)686-6107 about TERO related questions.

5.0 Performance Bond

Contractor shall post a performance bond in the amount of 5% of the contract total price to secure satisfactory performance of this contract, to be refunded upon final completion and approval of all obligations. In the event Contractor defaults on the contract at any time, Contractor shall be liable for expenses incurred by or caused to the Tribe

as a result of such default in an amount determined by the Forest Manager of the Coeur d'Alene Tribe.

6.0 Road Maintenance

Contractor agrees to avoid road damage to private and Tribal roads accessing the project, including prevention of berms and ruts. Contractor is liable for repair, maintenance and/or payment for any road damage caused by his operations.

7.0 Independent Contractor

Both parties agree that Contractor will act as an independent contractor in the performance of its duties under this contract. Contractor shall be responsible for payment of all applicable fees including federal, state and local taxes arising from its activities under this contract. Contractor is also responsible for obtaining all necessary federal, state or local permits in order to perform such work. The Tribe assumes no responsibility for damage to property, Contractor or employee injuries.

8.0 Indemnification

The Contractor shall indemnify and hold harmless the Tribe and its guests, agents, employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees arising out of or resulting from the performance of the Contractor's duties pursuant to this Contract, provided that any such claim, damage, loss or expense is caused in whole or in part by any negligent act or omission of the Contractor, anyone directly employed by the Contractor or anyone for whom the Contractor may be liable, regardless of whether or not such act or omission is in part that of a party indemnified hereunder.

9.0 Assignment and delegation, subcontracting

The Contractor may not assign the rights nor delegate the duties described under this Contract, nor subcontract any part of the work to be performed pursuant to this Contract without the Tribe's written approval. The Tribe may attach any reasonable conditions or limitations to the employment of any subcontractor.

10.0 Binding Effect

This Contract is for the benefit only of the parties hereto and shall inure to and bind the parties hereto and their respective heirs, legal representatives, successors and assigns.

11.0 Notice

Any notice under this agreement shall be in writing and delivered in person or by public or private courier service (including the U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing.

For the Coeur d'Alene Tribe:

Name: Kurt Mettler, Forest Manager
Address: P.O. Box 408, 402 Anne Antelope Avenue, Plummer, ID 83851
Phone: 208-686-1315 Fax: 208-686-8600

For the Contractor:

Name: _____
Address: _____
Phone: _____ Fax: _____

Any notice shall be deemed to have been given on the earlier of (a) actual delivery or refusal to accept delivery, (b) the

date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whoever received, shall always be effective.

12.0 Forum

This contract shall be governed by the laws of the Coeur d'Alene Tribe.

13.0 Sovereign Immunity

Nothing in this Contract shall be construed as a waiver or diminishment of the Coeur d'Alene Tribe's inherent sovereign immunity.

14.0 Severability

The terms of this contract are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

15.0 Non-waiver

The delay or failure of the Tribe to exercise any of its rights under this Contract for a breach by the Contractor shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach by the Contractor, either of the same provision or otherwise.

16.0 Representations

The Contractor represents and warrants that it has the full right and legal authority to enter into and fully perform this Contract in accordance with its terms without violating the rights of any third party and that it has all governmental licenses, permits or other authorizations necessary to perform the duties herein described. The individual executing this Contract on behalf of Contractor represents and warrants that he or she is duly authorized to execute and deliver this Contract on behalf of Contractor in accordance with duly adopted organizational documents or agreements.

17.0 Insurance

17.1 Contractor warrants that worker's compensation insurance is purchased for all employees of Contractor engaged in the performance of work under this Contract and shall provide the Tribe with a Certificate of Insurance to verify the same prior to the execution of this Contract. Any change in status of such insurance shall be immediately reported to the Tribe.

17.2 Contractor shall provide comprehensive general liability insurance in an aggregate amount of not less than one million dollars (\$1,000,000.00) which does not exclude the type of work being performed by Contractor under this contract. This requirement may be satisfied by obtaining appropriate endorsement for this particular project to any umbrella policy of liability insurance Contractor maintains. Proof of such coverage is required prior to execution of this contract and any changes in the status of such insurance shall be immediately reported to the Tribe.

18.0 Warranties

Contractor warrants that all Contractor and Contractor's employees will be properly certified to perform the work described herein, and that all laws, licenses and other requirements to perform said work will be complied with by Contractor. Contractor agrees to warrant remedy any activities/work without cost to the Tribe. The Tribe shall notify Contractor of such discrepancies within one year of Contractor's completion of work under this contract. Otherwise such warranty expires.

19.0 Proprietary Rights and Confidentiality

The Contractor may, in the process of performing his or her duties under the terms of this Contract, have access to records, materials, research, products, services, inventions, processes, designs, drawings, engineering, marketing or finances which is designated in writing to be confidential or proprietary, or if disclosed orally, is confirmed promptly in writing as having been disclosed as confidential or proprietary. Contractor warrants that he will not disclose any such information to anyone for any purpose without express written authorization by the Tribe.

20.0 Entire Agreement; Modification

This Contract and its Exhibits and/or Attachments constitute the entire understanding between the parties with respect to the subject matter herein. It may not be amended except by an agreement signed by the authorized representatives of the Tribe and the Contractor.

21.0 Cultural Resources Management (CRM) Compliance

21.1 The Contractor and Contractor's staff will participate in a 1 hour cultural resource awareness training session with CRM staff, provided free of charge, prior to or within 3 days of starting work.

21.2 If suspected or actual cultural resources are encountered during the work, the CRM staff will be notified immediately. Assessment will begin as soon as possible, generally the same day or the next day.

Appropriate staff includes:

John Hartman: 208-301-0014 cell; 208-686-8402 work.

Jill Wagner: 208-582-1347 cell; 208-686-1572 work.

21.3 Work may continue OUTSIDE a 150' radius around the suspected/actual cultural resource. Once an assessment has been made by CRM and Forestry staff, procedures will be developed to proceed with work or to change the plan for work depending on the assessment.

21.4 No photos of suspected or actual cultural resources are to be taken.

21.5 In the case of possible human remains, the standard CRM procedures are to be followed. A copy can be provided upon request.

IN WITNESS WHEREOF, the parties agree to the provisions set forth herein as evidenced by the signatures of their authorized representatives below:

CONTRACTOR:

(Title) Date

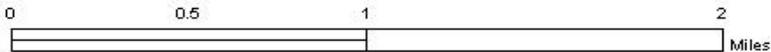
COEUR D'ALENE TRIBE

Natural Resources Director Date

Administrative Director Date

SAMPLE

Exhibit A: John Point TSI Project
 2011 Orthophotography
 Coeur d'Alene Reservation



Legend

TSI Blocks	Townships
Gravel Roads	PLS Sections
Dist Roads	



The information depicted on this map is the result of digital analysis performed on a database consisting of information from a variety of governmental and other credible sources. The accuracy of the information presented is limited to the collective accuracy of the databases on the date of the analysis. The information is believed to be accurate and reasonable efforts have been made to ensure the accuracy of the map. However, the Coeur d'Alene Tribe expressly disclaims responsibility for damages or liability that may arise from the use of this map. This product is the property of the Coeur d'Alene Tribe and its use is strictly limited. In particular, only those parties who have received express written permission from the Coeur d'Alene Tribe may disseminate, copy, publish or release the information contained herein.

File Name: tsi02hept01.mxd
 For information on this map or other maps please contact us at rs@coah-ns.gov
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 Map Produced By Coeur d'Alene Tribe Facility on 08/11/2012

EXHIBIT B: TECHNICAL SPECIFICATIONS
TIMBER STAND IMPROVEMENT
COEUR D'ALENE RESERVATION

1.0 General Specifications

1.1 Purpose

These specifications describe the standards for timber stand improvement (tree pruning, thinning, shrub control and slash treatment) on the Coeur d'Alene Reservation. Precommercial thinning and shrub control requires cutting down undesirable trees and shrubs to release crop trees from competition, as specified in Section 2.1 herein, within treatment blocks shown on Exhibit A to the Contract. Pruning requires removal of lower branches from crop trees, as specified in Section 2.2 herein. Slash treatment requires lopping limbs and cutting stems into shorter sections and scattering to reduce slash depth or piling to break up fuel continuity.

1.2 Contractor Responsibilities

1.2.1 Personal Protective Equipment

Safety equipment: hard hat, goggles, face shield or safety glasses, hearing protection and saw chaps.

Safety equipment must be worn while operating power equipment on the contract area. The Contractor is responsible for ensuring that safety equipment is available and properly used.

1.2.2 Crew Size and Supervision

Minimum crew size shall be two. There is no maximum crew size. For each crew of eight (8) or more, at least one supervisor at the work site shall monitor performance for safety and quality according to the Technical Specifications in Section 2.0.

1.2.3 Existing Facilities

All existing facilities such as, but not limited to, fences, gates, roads, erosion control dips, water bars, if damaged by the Contractor, will be repaired or replaced by the Contractor, at the Contractor's expense, to their condition prior to the approval date of the Contract.

1.2.4 Fires

During closed fire season, May 20 to October 10, employees must carry a personal fire extinguisher while operating a power tool (e.g. chain saw, power brush cutter). The Contractor will keep a shovel and a water container, with a minimum of five (5) gallons of water, near the work site for fire suppression in case his crew accidentally starts a fire or finds a fire near the work site. The Contractor will notify the Tribe, local, state or federal agencies as soon as possible if any fire should occur. The

workers will not smoke within any TSI block during closed fire season. Smoking is permitted only in slash-free areas at least eight (8) feet in diameter (e.g. a road).

1.3 Tribal Obligations

The Tribe will provide training and perform all inspections necessary to ensure the satisfactory completion of this contract. Inspections will be performed periodically and in a timely manner to assure that any problems are promptly brought to the attention of the Contractor.

Following Notice of Completion, the Contract Representative will inspect the work site on the Next Available Workday. Availability is subject to prior scheduling of Forestry personnel, but inspections will have priority over other activities except fire control or prescribed burning.

2.0 Technical Specifications

2.1 Thinning

Crop Trees: Crop trees shall be selected to favor larger, undamaged and healthy trees of the preferred species. Preferred species include western white pine (WP), western larch (WL), western redcedar (RC), ponderosa pine (PP) and lodgepole pine (LP). Douglas-fir, grand fir and western hemlock are acceptable leave trees in the absence of preferred species.

Ghost Trees: “Ghost trees” shall not be considered in the residual spacing and therefore are not required to be cut. White pine, aspen, birch and cottonwood will be “ghost” trees.

Spacing: Acceptable spacing between crop trees shall be 10 to 14 feet, with an average spacing of 12 feet. The variation in spacing is to allow selection of the best crop tree based on species preference, tree condition and size. Contractor shall cut excess conifers (except white pine) to leave the target spacing and shall cut tall shrubs rooted within 4 feet of crop trees. Seedlings or brush less than 4 feet tall does not need to be cut. Any ghost trees or dead trees shall not be considered in the spacing.

Maximum Diameter: Trees larger than 6 inches DBH shall not be cut, unless they have top damage affecting more than 30% of total height, have no merchantable tonwood volume or have dwarf mistletoe infections.

Acceptable Tools: Hand tools such as axes, pruning shears and handsaws, and power tools such as chain saws and power brush cutters shall be allowed for thinning. All power tools operated on the worksite must have approved spark arresters. Mechanized equipment may be used to salvage biomass or treat slash on suitable slopes when soil moisture is low enough to prevent rutting.

Satisfactory Cut Trees: Cut trees shall be completely severed from the stump with no holding wood or bark left attached to the stump. Cut trees shall not be left leaning against or be suspended by an uncut tree. Seedlings less than 4 feet tall, ghost trees and dead trees do not need to be cut.

Stumps: Stumps shall be as flat as practical, and the stump's surface shall slope no more than 20 degrees from horizontal. Pointed stumps shall be re-cut to horizontal.

Stump height: Stumps shall be no higher than 6 inches, measured from ground level on the uphill side, or 3 inches measured from large rocks or logs adjacent to the stump. Trees forked below DBH may exceed the 6 inch maximum stump height if the resultant stump diameter would exceed 6 inches. Each fork may be cut separately.

Live limbs: Trees shall be cut below the lowest live limb, unless prevented by natural obstacles. In such cases, live limbs shall be severed from the stump. A limb must be at least three (3) inches in length to be considered a live limb.

Improvements: Cut trees shall be felled away from property boundaries, open roads, utility lines, established trails, fence lines, established land corners, and streams.

2.2 Pruning

Prune Trees: Crop trees that are at least 6 feet tall shall be pruned, except white pine with lethal blister rust cankers (on or within 4 inches of the bole). Contractor shall trim one whorl near eye level from any lethally infected white pine, leaving longer branch stubs (6" to 12" long) to show that they were not missed. Pruning is not required on hardwood ghost trees.

Acceptable tools: Contractor may use hand saws, loppers or pruning shears for pruning. The use of axes, hatchets, machetes or clubs for pruning shall not be allowed on live branches. Power saws may be allowed for pruning branches on the lower 6 feet of the bole only if sufficient care is taken to avoid damage to bark or branch collars. The Contract Representative shall suspend the use of specific tools for pruning if more than 5% of pruned trees have unsatisfactory damage.

Pruning height: For each prune tree, pruning height shall be ½ of total height or the maximum pruning height, whichever is less. Maximum pruning height is 8 feet from the uphill side for all species prune trees.

Branch Removal: Contractor shall remove all branches below pruning height, and check at ground level on WP and remove any live branches covered by fallen needles or twigs.

Bole Needles: All live needles growing directly from the bole of white pine below pruning height shall be removed by hand (not required on other species).

Branch Collar: Branches shall be pruned to leave a flat cut surface within ¼ inch of the branch collar.

Damage: Pruning shall be conducted to avoid damage such as bark peeling or other wounds. **Wounds caused by the Contractor that are larger than 2 square inches per wound shall be tallied as unsatisfactory damage.**

2.3 Slash Treatment

2.3.1 Option 1: Slash from pruning and thinning shall be scattered at least 3 feet from crop trees. Slash larger than 2 inch in large end diameter shall be lopped and/or bucked to lengths less than 4 feet long and scattered so that slash depth does not exceed 2 feet.

Slash may be piled in openings at the Contractor's option, and resultant pile height can exceed the maximum slash depth if the pile is at least 3 feet from any other slash. Roads designated by the Contract Representative shall be kept free of slash, and any slash falling into those roads must be scattered or piled outside the travel lane.

2.3.2 Option 2: Accessible slash may be removed for biomass utilization if a separate permit is negotiated and approved by the Forest Manager prior to removal. Equipment to be used for collecting and transporting material and landing areas must be capable of avoiding significant damage to crop trees and soil and shall be approved by the Forest Manager. Piles of collected biomass shall be free of soil for clean material and located within 30 feet of accessible roads. Any slash not collected for biomass shall be treated as specified in option 1.

2.3.3 Option 3: Slash may be chipped on site on all or a portion of the treatment blocks, (such as along roads). Any areas not treated by chipping would be treated according to Option 1 or 2. Any chip piles left in treatment blocks shall not exceed 2 feet in depth.

3.0 Inspection and Acceptance

The Tribe will furnish an inspector(s) to the site periodically as work progresses, to ensure adequate compliance to contract provisions. The Contractor is encouraged to observe the inspection and may request inspection summaries.

Upon notice of completion, the Tribe will conduct the final inspection of the block within one week of the notice of completion, generally on the next available workday. Availability of inspectors is subject to prior scheduling of Forestry personnel. Inspection will be made on fixed diameter sample plots to sample at least 1 percent of the area of each treatment block.

3.1 Notification

The Contractor shall notify the Tribe within one workday of the completion of a block. The notice of completion can be verbal, by email or in writing.

3.2 Block Inspection Procedure

3.2.1 Sample plot inspections

Compliance with Section 2.0 herein shall be determined by inspection with sample plots. Sample plot inspections will consist of a series of fixed area circular plots distributed over the entire block sufficient to yield at least a one percent sample. Plot centers will be marked and the number of trees per plot will be recorded by species for the following categories:

- A. Satisfactory prune trees according to Section 2.2.
- B. Unsatisfactory prune trees (see definitions).
- C. Satisfactory leave trees according to Section 2.1.
- D. Unsatisfactory leave trees (see definitions).
- E. Unsatisfactorily cut trees (see definitions).
- F. Crop trees cut (see definitions).

Reasons for any unsatisfactory rating will be noted.

Slash treatment shall be graded on each plot as satisfactory if slash is pulled back 3

feet from leave trees and lopping and scattering has achieved average slash depth 2 feet or less or piled to break fuel continuity.

Upon inspection of all plots for a block, the percent quality shall be calculated as follows:

$$\text{QUALITY} = [A / (A+B) + (C-D-E) / (C+F) + G/H] / 3$$

Where: A = Total number of satisfactory prune trees left on all plots.

B = Total number of unsatisfactory prune trees on all plots.

C = Total number of satisfactory leave trees on all plots.

D = Total number of unsatisfactory leave trees on all plots

E = Total number of unsatisfactorily cut trees on all plots.

F = Total number of crop trees cut

G = Total number of plots with satisfactory slash treatment.

H = Total number of plots.

$$\% \text{ QUALITY} = \text{QUALITY} \times 100$$

3.2.2 Rework of Blocks

If slash treatment is unsatisfactory on more than 10% of plots, the Contractor must rework the block to bring the treatment up to specification standards.

If % quality for a block is less than 90% and can be corrected by additional pruning or thinning, the Contractor may rework the block to bring it to an acceptable level.

If the Contractor does not rework an unacceptable block, payment will be based on the results of sample plot inspection according to Section 3.2.1 and Section 3.4 herein.

The contract period shall not be extended to accommodate rework. Any rework must take place before the termination date set forth in Section 2.2 of the Contract.

3.2.3 Re-inspection

A re-inspection will be conducted on all blocks reworked within one week of notification of rework, generally on the Next Available Workday. Inspections after rework will be made in the same manner as the first inspection, but will use different plot centers. Only one re-inspection will take place, with payment according to Section 3.4 herein, based on the % quality from the re-inspection.

3.3 Acreage

3.3.1 Acreage Measurements

The acreages shown in Section 3.1 of the Contract are calculated from Global Positioning System (GPS) input to the Tribe's Geographic Information System (GIS), rounded to the nearest tenth (0.1) acre. Unless physical deletions or additions are made on the ground, the acreage for the units as shown in Section 3.1 of the Contract is final, subject only to the remeasurement provision below.

3.3.2 Remeasurement

The Tribe reserves the right to correct erroneous acreage figures shown in Section 3.1 of the Contract, or to account for physical deletions or additions to the actual area

of any TSI block made by the Contract Representative.

The Contractor may request, in writing, remeasurement of any TSI block under this contract if he/she believes the acreage stated in Section 3.1 of the Contract is incorrect. Remeasurement will be made on the ground within the established boundaries. Remeasurement will be based on standard horizontal measurements, using GPS and GIS.

If remeasurement determines a variance of five (5) percent or less, at a precision of one tenth (0.1) acre, the actual cost to the Tribe of conducting the remeasurement will be deducted from payment due the Contractor, and no adjustment will be made in the acreage.

If remeasurement determines a variance of greater than five (5) percent adjusted to the nearest tenth (0.1) acre, payment will be based on the remeasured acreage. The cost of conducting the remeasurement in this instance will be borne by the Tribe.

3.4 Payment Adjustments

3.4.1 Adjustment from Inspection Plots

Based on % Quality from inspections specified in Section 3.2, the payment rates shall be:

<u>% Quality</u>	<u>Payment Rate</u>
90% or greater	100% of block bid price
80% to 89%	(% Quality) X block bid price
Less than 80%	No payment unless reworked to at least 80% quality

3.4.2 Acreage Adjustments

If acreage adjustments are made according to Section 3.3.2, the adjusted acreage and bid rate per acre shall be used to recalculate the bid price, subject to any adjustments specified in Section 3.4.1.

4.0 Definitions

The following standard terms are hereby defined for use in the Contract and Exhibit B.

"Average Spacing" means the average of the horizontal distance between crop trees necessary to provide the desired number of crop trees per acre.

"Blister Rust Canker" is a lesion on the bark of white pine trees indicated by a swelling and dying branch or diamond shaped dead bark on the bole centered on a dead branch. Cankers usually have other symptoms, including resin flow from bole cankers, a margin of orange colored bark, chewing by rodents around the margins or seasonal fruiting bodies.

"Bole" is the main tree stem.

"Branch Collar" is the basal enlargement of a branch and the desired edge of the pruning cut.

"Contract Representative" is the Tribal Forestry employee assigned to supervise contract compliance.

"Crop Tree" is any tree selected for its potential to survive and grow to merchantable size.

“Crop Tree Cut” is any cut tree that should have been left to meet spacing or species preference specifications.

"Crew" includes any persons under the supervision or direction of the Contractor, either as employees or subcontractors, who are performing services under this contract.

“Cut Tree” means any tree cut in conformance with Section 2.1. Dead trees and ghost trees shall not be cut, and will be ignored in spacing/thinning decisions.

"Damage" means any defect or deformity of a tree resulting from agents such as disease, wind, snow, animals, insects, and/or equipment, and evidenced by such conditions as dead or broken tops, crooks, deep scars and/or missing bark.

"DBH" (Diameter at Breast Height) means the diameter of the bole measured at a point 4-1/2 feet above the ground level on the uphill side of the tree.

"Excess Tree" means any tree of sufficient height that is spaced too close to crop trees as specified in Section 2.1.

“Ghost Tree” means trees of selected species that are not considered in the spacing from crop trees and therefore are not required to be cut. White pine, aspen, birch and cottonwood will be “ghost trees”.

“Lethal Canker” means a blister rust canker on the bole of a white pine, or on a branch with visible signs of infection within four (4) inches of the bole. Any branch canker with no visible signs of infection within 4 inches of the bole shall be considered “prunable”.

"Next Available Workday" means the workday following the day of notification when the Contract Representative or his representative is available to inspect the worksite. The Contract Representative may not be available if other activities are scheduled prior to notification. Weekends and Tribal holidays are not considered workdays.

“Notice of Completion” means the Contractor’s verbal or written statement to the Contract Representative that contract services have been completed on a block to schedule an inspection to approve services.

“Prune Tree” is any crop tree taller than 6 feet, unless disqualified by specifications in Section 2.2.

“Pruning Height” is the portion of the stem to be cleared of branches and needles, measured from ground level on the downhill side of the tree.

"Satisfactory Leave Tree" means any tree not cut that meets crop tree specifications in Section 2.1 or excess “ghost” or dead trees.

“Satisfactory Prune Tree” means any tree pruned that meets pruning specifications in Section 2.2.

“Slash” means woody plant residues created during the Contractor’s activities, including branches and stems of conifers and brush cut while thinning and pruning.

"Spacing" means the horizontal distance, measured at ground level, from the stem of one crop tree to the stem of the nearest neighboring crop tree.

“TSI block”, or treatment block, means a distinct area to be treated under the contract, as shown on Exhibit A.

"Unsatisfactorily Cut Tree" means any cut tree not severed from the stump, a hang-up tree or live limbs left attached to the stump.

"Unsatisfactory Leave Tree" means any uncut tree that should have been cut according to Section 2.1.

"Unsatisfactory Prune Tree" means any tree pruned to the wrong pruning height, with any live limbs below pruning height, with branch stubs longer than $\frac{1}{4}$ inch from the branch collar, with any pruning wound in excess of 2 inch² or any Prune Tree that was not pruned.