NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Belmont Stakes Timber Sale is located within Section16, T15N-R16W on the State's Missoula Unit. Approximately 19,730 tons, consisting primarily of Douglas-fir, spruce, and western larch sawlogs, is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on June 11, 2015 at 2:00 p.m. Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received. Bids must be accompanied by a deposit of \$9,974.00, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **30** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Southwestern Land Office in Missoula (406-542-4200), or the Missoula Unit Office (406-542-5803).

Visit our website at http://dnrc.mt.gov/divisions/trust/forest-management for upcoming sales and bid results

/s/ SONYA GERMANN, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: May 13. 20, 27, June 3, 2015

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Belmont Stakes

Timber Sale Location: Section 16, T15N-R16W

For specific sale information, contact: Amy Helena

Phone 406-542-5803 Unit Office: Missoula

For copies of the Timber Sale Contract and bid forms, contact:

Phone 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone 406-542-4200 Southwestern Land Office, Missoula

General Bidding Information

- 1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
- 2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
- 3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of **30** days of notification of sale award. The bond amount will be, at a minimum, 20% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
- 6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
- 8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
- 9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding.
- 10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
- 11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above.
- 12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract <u>are not guaranteed.</u>
- 13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

Additional Sale Information:

- CLASS ONE STREAMSIDE MANAGEMNT ZONES (SMZ): NO trees will be harvested within Class 1 SMZs.
- 2. **SKYLINE YARDING:** Approximately half of the sale volume will require skyline yarding. Refer to skyline yarding expectations/requirements in the contract for details.
- 3. **DELETION OF AREAS WITH BLIND LEADS:** Within skyline yarding area, blind leads identified by the Purchaser and approved by the Forest Officer may be deleted from the harvest unit.
- 4. **TAILTREES/TAIL HOLDS WITHIN THE SMZ:** If trees within the SMZ are used as tail trees/tail holds and they are pulled over they are to be left. If it is discovered that undesignated or reserve trees within the SMZ are cut and/or removed as a result of Purchaser's operations it shall be considered cut in trespass and the Purchaser may be charged three times the highest Contract stumpage rate (minimum \$10.00/ton) for the Contract product class(es) the tree contains. In addition, if the Forest Officer determines that a suitable replacement for a reserve tree as described above is not available, Purchaser agrees to pay the State \$500.00 per tree, in addition to the rates charged in Section IV.G.4.a. UNDESIGNATED TREES.
- 5. **UNIT 3 (Optional):** Log truck access is difficult in Unit 3, therefore this is an optional unit. However, if material is cut within the Unit the Purchaser is required to remove the material.
- 6. **CLASS 3 STREAMSIDE MANAGEMENT ZONE (SMZ):** Units 6, 7, 8 & 9 contain Class 3 SMZ harvest areas (total 9 acres). Cut trees are marked with an orange horizontal stripe and a stump mark. No other trees shall be removed without prior approval by the Forest Officer.
- 7. **EXCAVATED TRAIL-5:** Unit 5 will require an excavated trail to eliminate skidding adjacent to an SMZ. Portions of this trail already exist and this will be an extension of that trail. There will still be a 2-5 acre piece that will be skid down to a road in an SMZ. This wood will need to be skid up the road out of the SMZ to a landing.
- 8. **RESERVE SNAGS:** In Units 11 & 12 no undesignated snags shall be cut, unless designated a safety hazard or approved by the Forest Officer.
- 9. **EXCAVATED TRAIL-11:** An excavated trail will be required (see harvest map) to remove a portion of the harvested material.
- 10. **REQUIRED PULP REMOVAL:** Units 11 & 12 are mandatory pulp removal units. All material that would meet minimum pulp requirements must be removed from harvest units. Pulp in all other units is optional.
- 11. **FIREWOOD:** The Purchaser has the option of removing firewood that does not meet sawlog specifications in Table 2 of the contract at a rate of \$200/load.
- 12. **SUBSTANTIAL ROAD PACKAGE:** It is highly recommended that Attachment B in the timber sale contract be reviewed prior to bidding.
- 13. The Purchaser will be required to purchase 5 Gallons of Milestone, 96 ounces of Escort and 20 gallons of 2-4-D to be delivered to the DNRC Missoula Unit prior to harvest operations.
- 14. GRASS SEED MIX: There are two different types of grass seed required. They are TNC mix and DNRC mix. Attachment B outlines how much of each seed mix is required and where it will be applied.
- 15. United State Forest Service Temporary Road Use Permit Requirements:
 - a. Drivers of all vehicles operating under this permit shall have a copy of the first sheet of this permit in their vehicle. The copy will be presented, on request, to any Forest Service Officer.
 - b. A 6" minimum size red letter P shall be painted on three or more ends of the logs visible from the front and three or more ends visible on the back of the load (this in addition to DNRC load marking requirements).

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Timber Sale Information Sheet Montana Department of Natural Resources and Conservation

BELMONT STAKES TIMBER SALE										
Timber Sale Cruise Data										
SPECIES	PP	DF	WL	LP	ES	WF	CE	WP	Dead	TOTAL or AVE
Minimum Bid										\$10.11/ton
Pounds per cubic foot		56	53	51	57	55				
Estimated tons of sawlogs (5.6" top DIB)		14,596	1,808	317	2,371	258			380	19,730 tons
Estimated tons of other material (pulp, etc)										1,960 tons
Gross MBF (Scribner 5.6" top DIB)		3,148	385	61	432	45				4,070 MBF
% Cull and Breakage		21	15	22	1	15				17.9%
Net MBF (Scribner 5.6" top DIB)		2,502	329	48	428	38				3,344 MBF
Average logs per MBF		21	23	43	14	29				18.1 logs/M
Average DBH		13	11	7	13	12				12.5 in.
Average tons per acre harvested in leave-tree marked units							64 tons/ac			
Average tons per acre harvested in cut-tree-marked units							N/A			
Average MBF to cut per acre on the timber sale							10.9 MBF/ac			
Range of cut trees per acre based on unit cruise							80-300			
Calculated Sampling Error: Total cruised volume will fall between 3,098 and 4,245 Net MBF in 9 out of 10 cruises							15.6%			
Tons Per Thousand Board Feet										
Contract Value - Estimated tons hauled per thousand Scribner board feet 19,730 estimated tons to a 5.6 inch top / 3,344 Net MBF Scribner to a 5.6 inch top DIB						5.90 tons/MBF				

Contract Information					
Contract ending date	8/1/2018				
Contract length	38 months				
Operating Season:	Year round, weather permitting and when Soil Compaction Restrictions are met.				

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Logging Information						
% of volume logged by clearcut or seed tree cut	00%					
% of volume logged with tractors	50%					
% of volume logged by ground lead (jammer)	00%					
% of volume logged by skyline	50%					
Yarding distance tractor (average)	1400 ft.					
Yarding distance ground lead (average)	0 ft.					
Yarding distance skyline (average)	630 ft.					
Estimated haul distance (paved)	5.0 miles					
Estimated haul distance (unpaved)	19.0 miles					

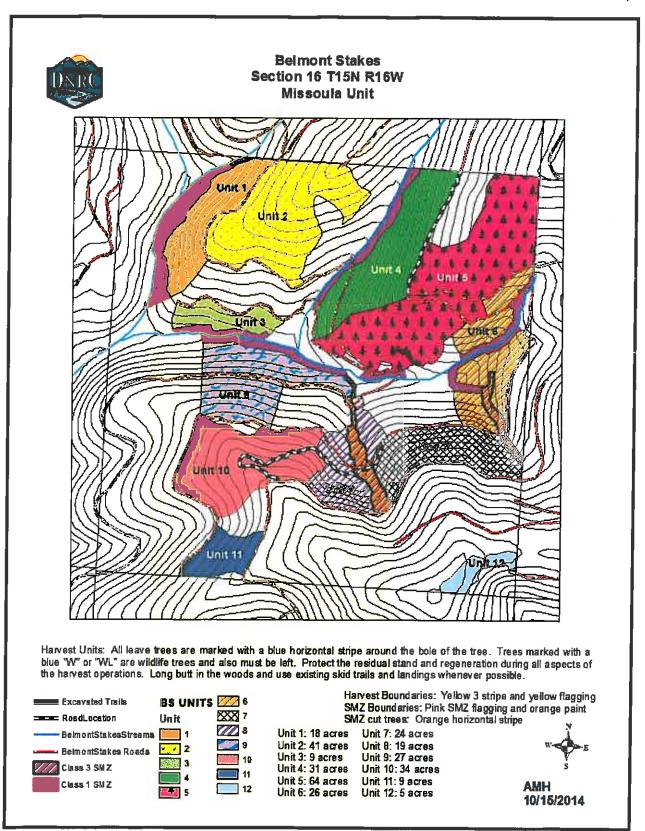
Purchaser fees and estimated costs						
Forest Improvement fee perMBF	\$22.72/MBF					
Forest Improvement fee per ton	\$3.85/ton					
Forest Improvement fee estimated total	\$75,960.50					
Forest Improvement fee quarterly installment	\$12,660.08					
Estimated Purchaser-do FI total \$	\$15,000					
Estimated Purchaser-do FI per ton	\$0.76/ton					
Estimated Purchaser-do slash disposal work total	\$0.00					
Estimated Purchaser-do slash disposal work per ton	\$0.00/ton					
Bid Guarantee (total \$)	\$9,974.00					
Performance Bond	20% of bid value					

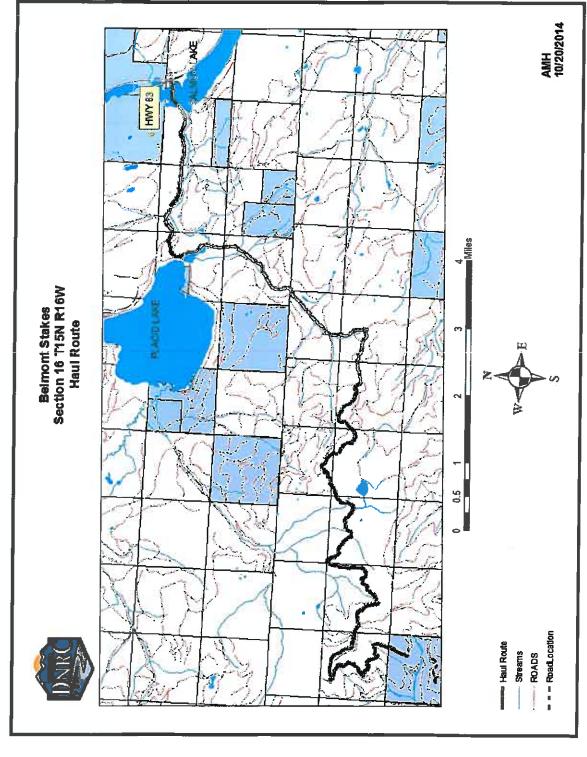
Road development and maintenance fees and estimates					
Estimated road development cost total	\$22,135				
Estimated road development cost per ton	\$1.12/ton				
Estimated road development cost perMBF	\$6.62/MBF				
Estimated Purchaser-do road maintenance cost total	\$139,953				
Estimated Purchaser-do road maintenance cost per ton	\$7.09/ton				
Private road maintenance charges per ton	\$0.00/ton				
USFS road maintenance charges per ton	\$0.00/ton				
Miles of road construction	1.3 miles				
Miles of road reconstruction	0.0 miles				
Miles of road with site improvements	0.0 miles				
Miles of road reclamation or abandonment	0.3 miles				
Miles of road maintenance and blading	20.0 miles				

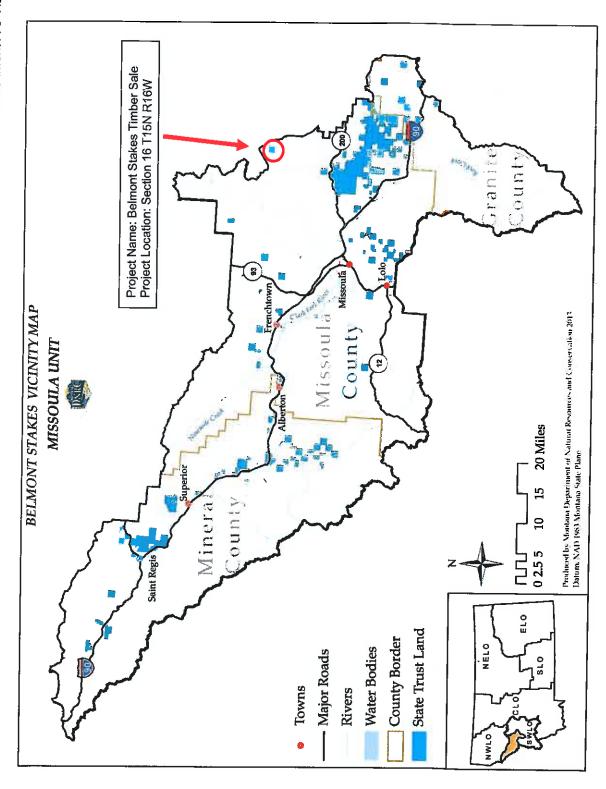
Unit harvest volume							
Unit#	Acres	Est Tons	Est MBF	Harvest deadline			
1	18	1,152	196	December 1, 2016			
2	41	2,624	446	December 1, 2017			
3	9	576	98	December 1, 2016			
4	31	1,984	338	December 1, 2016			
5	64	4,178	697	December 1, 2017			
6	26	1,664	283	December 1, 2015			
7	24	1,536	262	December 1, 2015			
8	19	1,216	207	December 1, 2015			
9	27	1,728	294	December 1, 2016			
10	34	2,176	371	December 1, 2017			
11	9	576	98	December 1, 2017			
12	5	320	55	December 1, 2017			
	307 Ac.	19,730 tons	3,344 MBF				

Timber Sale Information Sheet Montana Department of Natural Resources and Conservation

Legal description by trust						Unit harvest volume			
Legal description - subdivisions	Section	Twn	Rge	Grant	Unit#	Acres	Est Tons	Est MBF	
NW1/4	16	15N	16W	CS	1	18	1,152	196	
NW1/4	16	15N	16W	CS	2	41	2,624	446	
NW1/4	16	15N	16W	CS	3	9	576	98	
NE1/4	16	15N	16W	CS	4	31	1,984	338	
NE1/4	16	15N	16W	CS	5	64	4,178	697	
NE1/4	16	15N	16W	CS	6	26	1,664	283	
SE1/4	16	15N	16W	CS	7	24	1,536	262	
SE1/4	16	15N	16W	CS	8	19	1,216	207	
SW1/4	16	15N	16W	CS	9	27	1,728	294	
SW1/4	16	15N	16W	CS	10	34	2,176	371	
SW1/4	16	15N	16W	CS	11	9	576	98	
SE1/4	16	15N	16W	CS	12	5	320	55	
See Instructions for how to fill in this table									
Totals						307 Ac.	19,730 T	3,344 M	







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