NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Baldy Mountain Salvage Timber Sale is located within Section 16, T11N-R10W, on the State’s Anaconda Unit. Approximately 14,504 tons of sawlogs, consisting of beetle killed lodgepole pine and green Douglas-fir is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on September 3, 2009 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 $9,515.00, representing 5% of the minimum bid 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 Anaconda Unit (406-563-6078).

Visit our website at http://www.dnrc.mt.gov Online Services for upcoming sales and bid results

/s/ Shawn Thomas, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: August 5, 12, 19, 26, 2009
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 of $20,000.00 or 10% of the total bid value of the sale, whichever is greater. 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 are not guaranteed.
13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.
### TABLE 1: Summary of Sale Specifications

<table>
<thead>
<tr>
<th>Sale Data</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>263 Net Sale Area (acres)</td>
<td>0 Miles of road construction</td>
<td></td>
</tr>
<tr>
<td>July 31, 2012 Contract ending date</td>
<td>0 Miles of road recondition</td>
<td></td>
</tr>
<tr>
<td>N/A Cable logging</td>
<td>1.1 Miles of road reclamation or abandonment</td>
<td></td>
</tr>
</tbody>
</table>

Operating Season: Logging 7/1 – 3/1

### Charges and Appraised Costs

- **$9,515.00** Bid Guarantee (total $)
- **$20,000.00** minimum Performance Bond (total $)
- **$0** Collected Road Maintenance And Road Use Charges ($ per ton)
- **$5.48** Collected Forest Improvement Fee ($ per ton)
- **$13,236.03** Quarterly Installment of Forest Improvement Payments ($ per payment, first 5 payments)
- **$5,000.00** Road Development Costs - Appraised Purchaser-Do (total $)
- **$0.34** Road Maintenance Costs - Appraised Purchaser-Do ($ per ton)
- **$0** Slash Disposal Costs - Appraised Purchaser-Do ($ per ton)
- **$0** Timber Stand Improvement Costs - Appraised Purchaser-Do ($ per ton)

### TABLE 2: Timber Cruise Data and Minimum Bids

<table>
<thead>
<tr>
<th>SPECIES</th>
<th>PP</th>
<th>DF</th>
<th>WL</th>
<th>LP</th>
<th>ES</th>
<th>AF</th>
<th>CE</th>
<th>Dead/Dry</th>
<th>TOTAL or AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Acceptable Bid</td>
<td></td>
<td>$13.12/ton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pounds per cubic foot</td>
<td>61.7</td>
<td>40</td>
<td>57</td>
<td>55</td>
<td>44.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Tons</td>
<td>722</td>
<td>13,088</td>
<td>300</td>
<td>394</td>
<td>14,504</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross MBF (Scribner 6” top DIB)</td>
<td>106</td>
<td>3,142</td>
<td>34</td>
<td>50</td>
<td>3,332</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Cull and Breakage</td>
<td>32%</td>
<td>24%</td>
<td>14%</td>
<td>24%</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net MBF</td>
<td>72</td>
<td>2,400</td>
<td>28</td>
<td>38</td>
<td>2,538</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average logs per MBF</td>
<td>80</td>
<td>43</td>
<td>128</td>
<td>130</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average DBH</td>
<td>10</td>
<td>10.3</td>
<td>8.6</td>
<td>8.6</td>
<td>10.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Average tons per acre harvested</td>
<td>55.15</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Average Net MBF cut per acre on the timber sale</td>
<td>9.65</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Calculated Sampling Error** (net MBF): 16.8%

The total cruised volume will fall between 2,111 and 2,966 thousand net board feet in 9 out of 10 cruises

**Tons Per Thousand Board Feet Conversion Factor** = 5.71 tons per MBF (average all species)
TABLE 3: Unit Harvest Volume and Harvest Schedule

<table>
<thead>
<tr>
<th>Unit</th>
<th>Section</th>
<th>Acres</th>
<th>Estimated Net Tons</th>
<th>Estimated Net MBF</th>
<th>Removal Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>263</td>
<td>14,504</td>
<td>2,538</td>
<td>October 31, 2011</td>
<td></td>
</tr>
</tbody>
</table>

Additional Sale Information:

1. **Non-Sawlog and Biomass Removal**: This timber sale contains approximately 2,000 tons of OPTIONAL biomass or non-sawlog product removal. The price for this material is fixed at $1.00/ton.

2. **Gates**: Gates shall be installed concurrently with road construction.

3. **Hot Decking required**: Due to limited landing size and landings on public roads, Purchaser may be required to keep hauling concurrent with skidding and decking. Purchaser is required to keep roads passable, if practicable, on evenings and weekends when no logging operations are active.

4. **Reserve Snags**: Purchaser will be required to leave older dead LP (needles gone) and cull trees to assist in meeting the Department’s rules as identified in ARM 36.11.411. No undesignated snags shall be cut, unless a safety hazard or approved by the Forest Officer.

5. **Protection of Snag Habitat**: Purchaser will be required to protect residual timber from felling and skidding damage for a 25’ radius around wildlife snags. Reasonable damage limits shall be determined by the Forest Officer.

6. **Advance Regeneration Protection**: On approximately 8 acres (identified on map), the Purchaser would be required to conduct felling and skidding operations in a manner that would minimize damage to existing advanced regeneration.

7. **Slash away from Unit Boundaries**: Purchaser will be required cut and skid in a manner to reduce slash concentrations within 25 feet of harvest unit boundaries.

8. **Operating Schedule**: Purchaser may begin operations beginning October 1, 2009. Roads are currently being built to access the sale area and are scheduled to be completed by September 30, 2009.
BALDY MOUNTAIN SALVAGE
T11N, R10W, Section 16

BALDY MOUNTAIN

Vicinity/Access Map
T11N, R10W, Section 16

Legend
- Haul Road
- Baldy Section