

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Buck Finley Fire Salvage Timber Sale is located within Section 16, T16N-R16W, on the State's Clearwater Unit. Approximately 13,162 tons, consisting primarily of green and fire killed Douglas-fir, Western larch and lodgepole pine sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **June 26, 2008 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 **\$8,199.00**, 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. **Award of the timber sale is conditional upon approval of the timber sale by the State Board of Land Commissioners at their June 16, 2008 meeting.** If the successful bidder is unable to execute the contract within **15** 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 Southwest Land Office, in Missoula (406-542-4200), or Craig Nelson at the Clearwater Unit Office in Greenough, MT (406-244-2386).

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

/s/ David A. Groeschl, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: May 28, June 4, 11, 18, 2008

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Buck Finley Fire Salvage			
Timber Sale Location: Section 16, T16N-R16W			
For specific sale information, contact: Craig V. Nelson			
Phone	406-244-2386	Clearwater	Unit Office
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

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. **Award of the timber sale is conditional upon approval of the timber sale by the State Board of Land Commissioners at their June 16, 2008 meeting.**
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 45 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. **A tour of the sale area for prospective purchasers will not be given.**
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

Sale Data			
425	Net sale Area (acres)	1.7	Miles of road construction
July 1, 2010	Contract ending date	4.8	Miles of road reconstruction
10	Cable logging required (% of volume)	0.2	Miles of road reclamation or abandonment
Operating Season: July 2008 – February 2009, July 2009 – October 15, 2009			
Charges and Appraised Costs			
\$8,199.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$0.10	Collected Road Maintenance (\$ per ton – surface replacement USFS roads)		
\$N/A	Collected Road Use Charges (\$ per ton)		
\$3.71	Collected Forest Improvement Fee (\$ per ton)		
\$8,138.50	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$62,220.00	Road Development - Appraised Purchaser-Do (total \$)		
\$0.34	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

TABLE 2: Timber Cruise Data and Minimum Bids

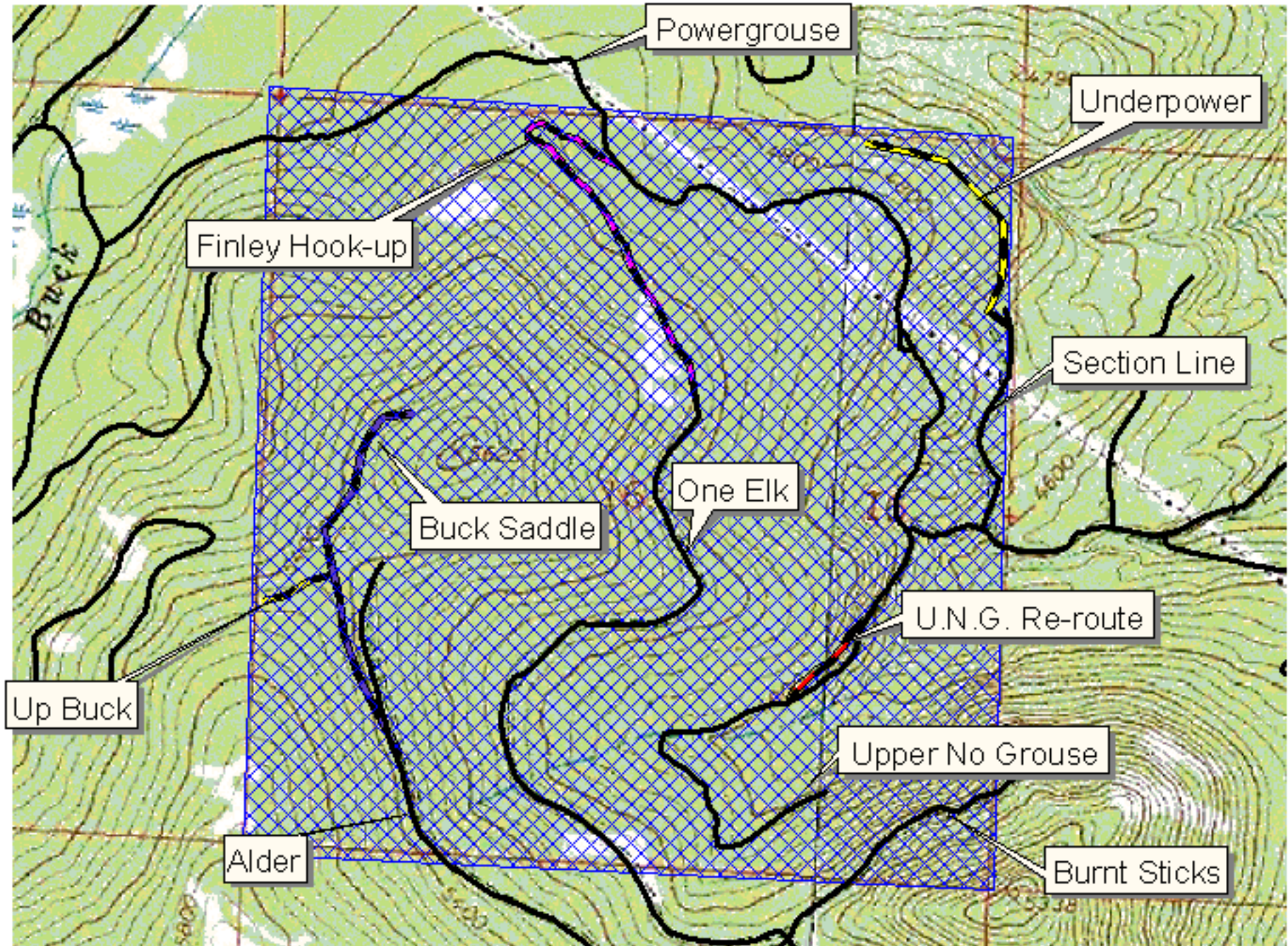
SPECIES	PP	DF	WL	LP	ES	WF	CE	Dead/Dry	TOTAL or AVE
Minimum Acceptable Bid							-		\$12.46/ton
Pounds per cubic foot	40.0	61.7	58.3	56.0	57.0	55.0	-	40.0	53.0
Contract Tons	-	4,951	2,413	2,129	107	316	-	3,246	13,162
Gross MBF	-	796.8	504.6	419.9	24.2	32.3	-	890.5	2,668.3
%Cull and Breakage	-	12	14	30	20	3	-	25	20
Net MBF	-	697.6	431.8	296	19.3	31.4	-	666.3	2,142.5
Average logs per MBF	-	20.7	17.8	72.1	5.4	225.1	-	46.9	38.2
Average DBH	-	13.4	13.5	9.4	20.0	7.5	-	10.8	11.1
Average tons per acre harvested									30.96
Average MBF cut per acre on the timber sale									5.04
Range of cut trees per acre based on unit cruise									29 - 125
Calculated Sampling Error (net MBF): 22%									
The total cruised volume will fall between 1,670 and 2,614 thousand net board feet in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 13,162 contract tons per 2,142 net MBF = 6.14 tons per MBF									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
1601	16	24.8	1,091	178	February 28,2009
1602	16	109.4	4,822	786	February 28,2009
1603	16	24.5	251	40	October 15, 2009
1604	16	25.6	262	42	October 15, 2009
1605	16	42.3	433	70	October 15, 2009
1606	16	60.2	2,655	433	February 28,2009
1607	16	8.8	90	15	October 15, 2009
1608	16	29.1	1,281	209	February 28,2009
1609	16	63.6	650	104	October 15, 2009
1610	16	36.9	1,627	265	February 28,2009

Additional Sale Information:

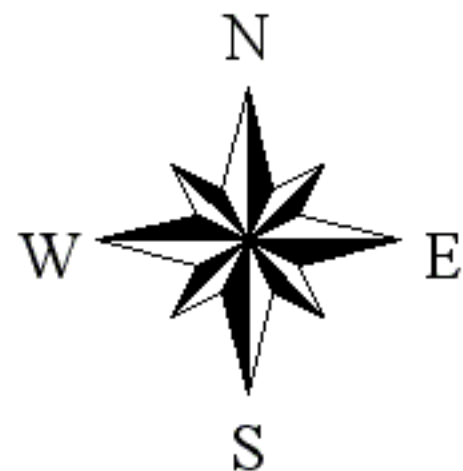
1. Non-Sawlog and Biomass Removal – The Purchaser may elect to remove this material from all units provided it is approved by the Forest Officer. The charge for this material will be \$1.00/ton. No Forest Improvement charges will assessed for this material
2. The Purchaser shall post warning signs on roads and control traffic as necessary.
3. Six and one half (6.5) miles of herbicide application will be required after harvest.
4. Grass seed and fertilizer application on sale area roads is the responsibility of the sale Purchaser. DNRC will supply the grass seed.
5. The Purchaser will be required to apply calcium chloride for dust abatement as directed by the Forest Officer.
6. USFS roads (9974, 9975, 16003) and PCTC roads will be used. The Purchaser is responsible to abide by conditions in road use agreements (Attachments E & F of the timber sale contract).
7. The Purchaser is required to blade USFS road 9974 from the substation to the junction of 9974 and 16003. From there the Purchaser will blade road 16003 to the section line common to Section 21 and 22 (PCTC ownership). This shall be done during the early summer of 2008.
8. All drivers of vehicles operating on this sale (including log trucks) must carry front page of temporary road use permit within their vehicle. It must be displayed to any USFS personnel when asked. Any cost resulting from not having the first page of the contract is to be paid by the driver or company employing them.
9. All units have black-backed woodpecker restrictions. Harvest can not begin until July 2nd.

Buck Finley Roads



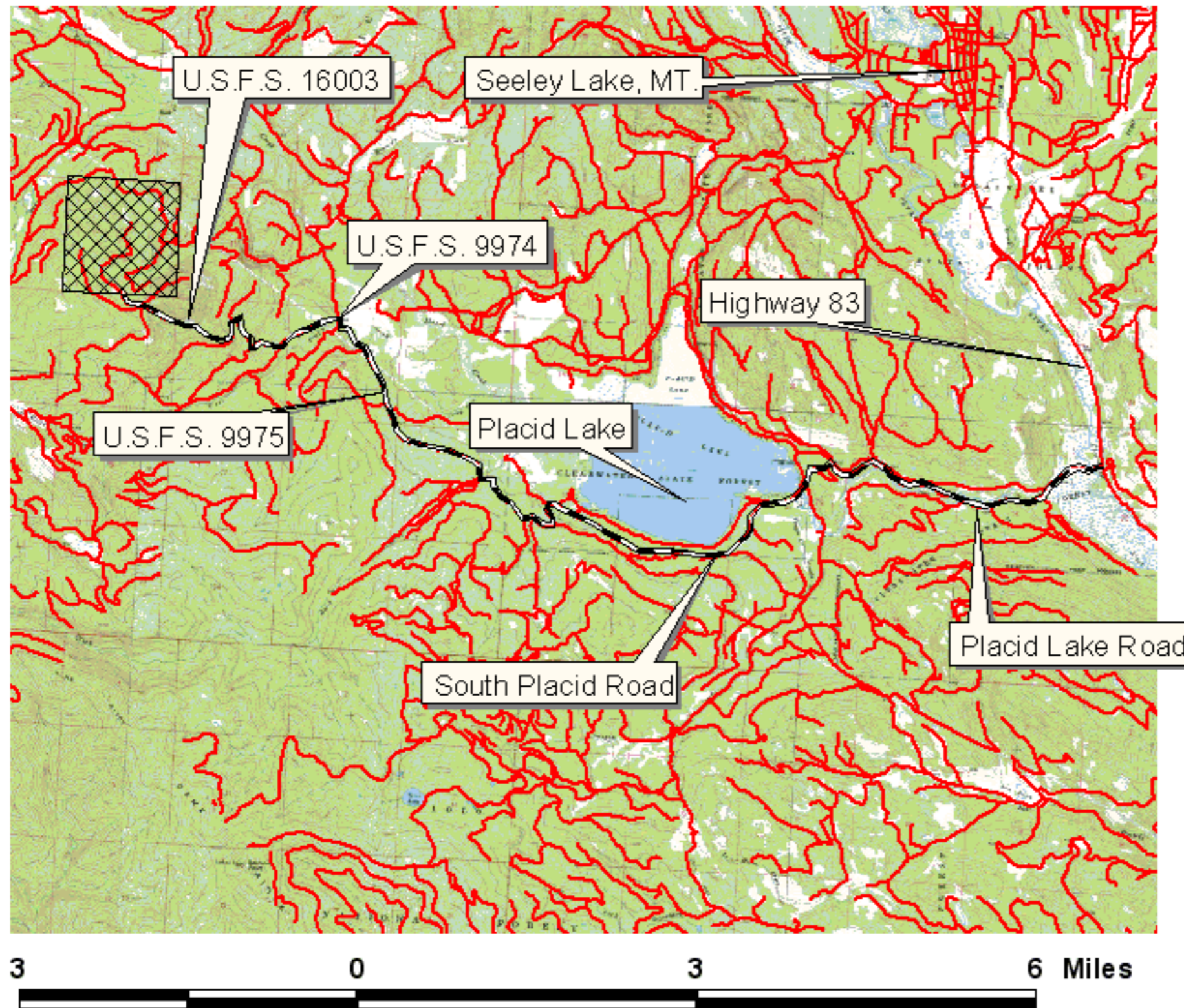
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ATTACHMENT A-3



Buck Finley Fire Salvage Vicinity Map

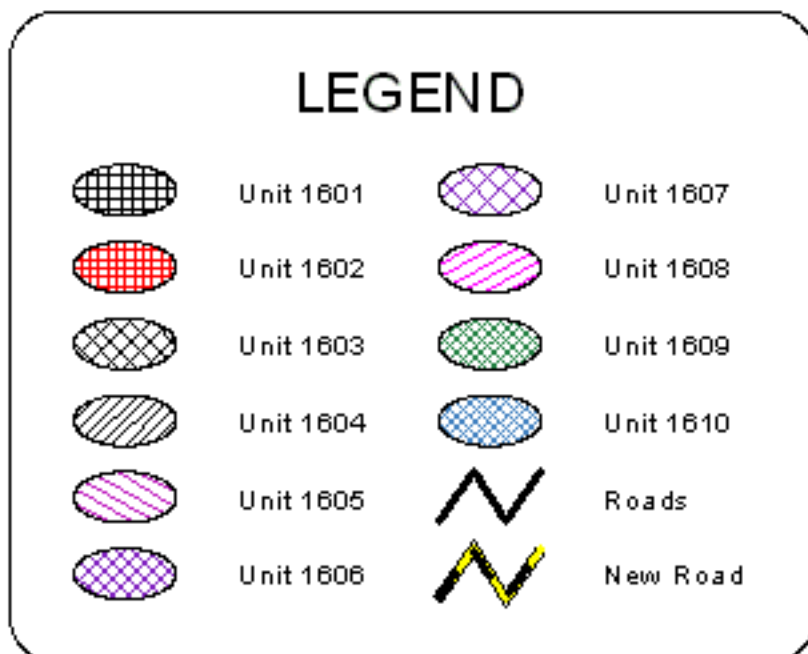
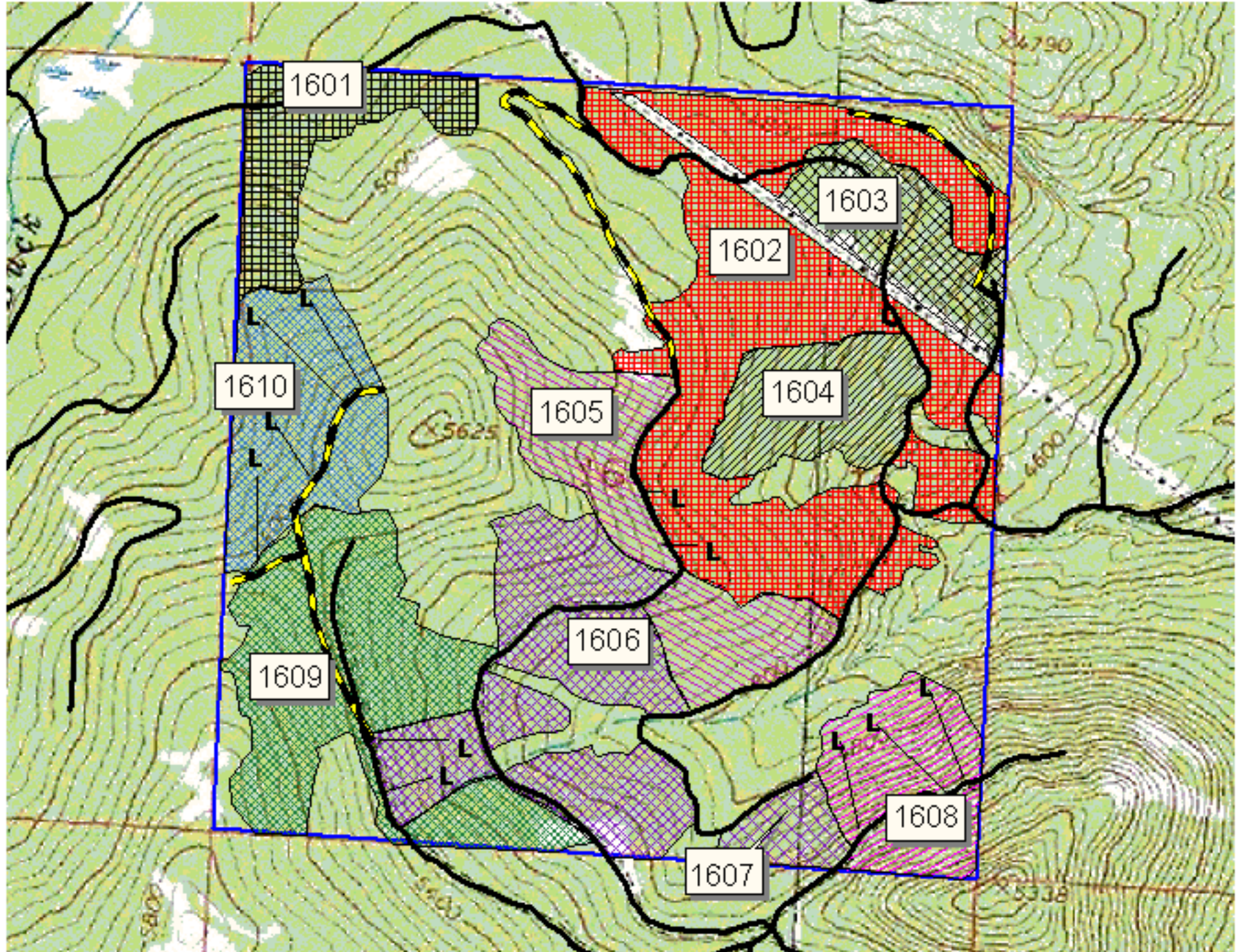
ATTACHMENT A-1



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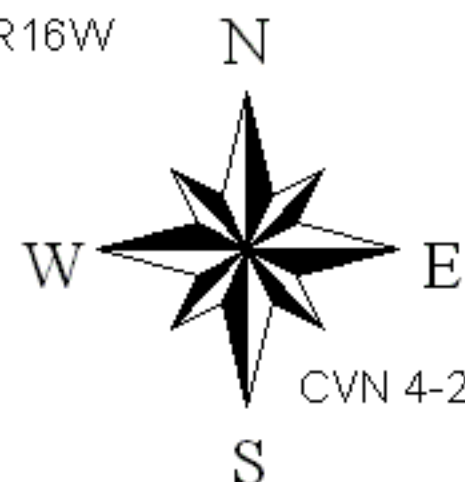
Buck Finley Fire Salvage

ATTACHMENT A-2



Note: "L's" denote portions of line skidding

Sec. 16, T16N, R16W



CVN 4-22-08