

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Eightmile Timber Sale is located within Section 36, T11N-R19W, on the State's Hamilton Unit. Approximately 3,376 tons, consisting primarily of ponderosa pine and Douglas-fir sawlogs, is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **November 5, 2010 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 **\$847.00**, 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 **21** 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 Hamilton Unit Office (406-363-1585).

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

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

Publication Dates: October 6, 13, 20, 27, 2010

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Eightmile			
Timber Sale Location: Section 36, T11N-R19W			
For specific sale information, contact:			
Phone	406- 363-1585	Paul Moore	Hamilton Unit Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-542-4264	Robert Storer	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.
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 **21** 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 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.

Additional Sale Information:

1. The Purchaser may elect to remove non-sawlog material at the rate of \$1.00/ton if approved by the Forest Officer.
2. Tractor yarding distances of up to 1,500' will be required for harvest Unit 2.
3. The Purchaser shall be required to complete new road construction prior to commencing harvest operations.
4. The Purchaser shall be required to do maintenance on the Upper Woodchuck Road consisting of grading and improving 10 drain dips prior to commencing harvest operations.
5. The Purchaser shall be required to perform dust abatement on 1,000' of the Upper Woodchuck road if hauling occurs during June 1st through September 30th.
6. Harvest Units are cut tree marked.
7. The Purchaser will be required to cut and remove additional "green" sawlog sized ponderosa pine trees infested with mountain pine beetle at the sawlog rate as directed by the Forest Officer.
8. There is a locked gate on the access road on TNC property. Prospective bidders may have to walk approximately ½ mile to get to the State property.

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

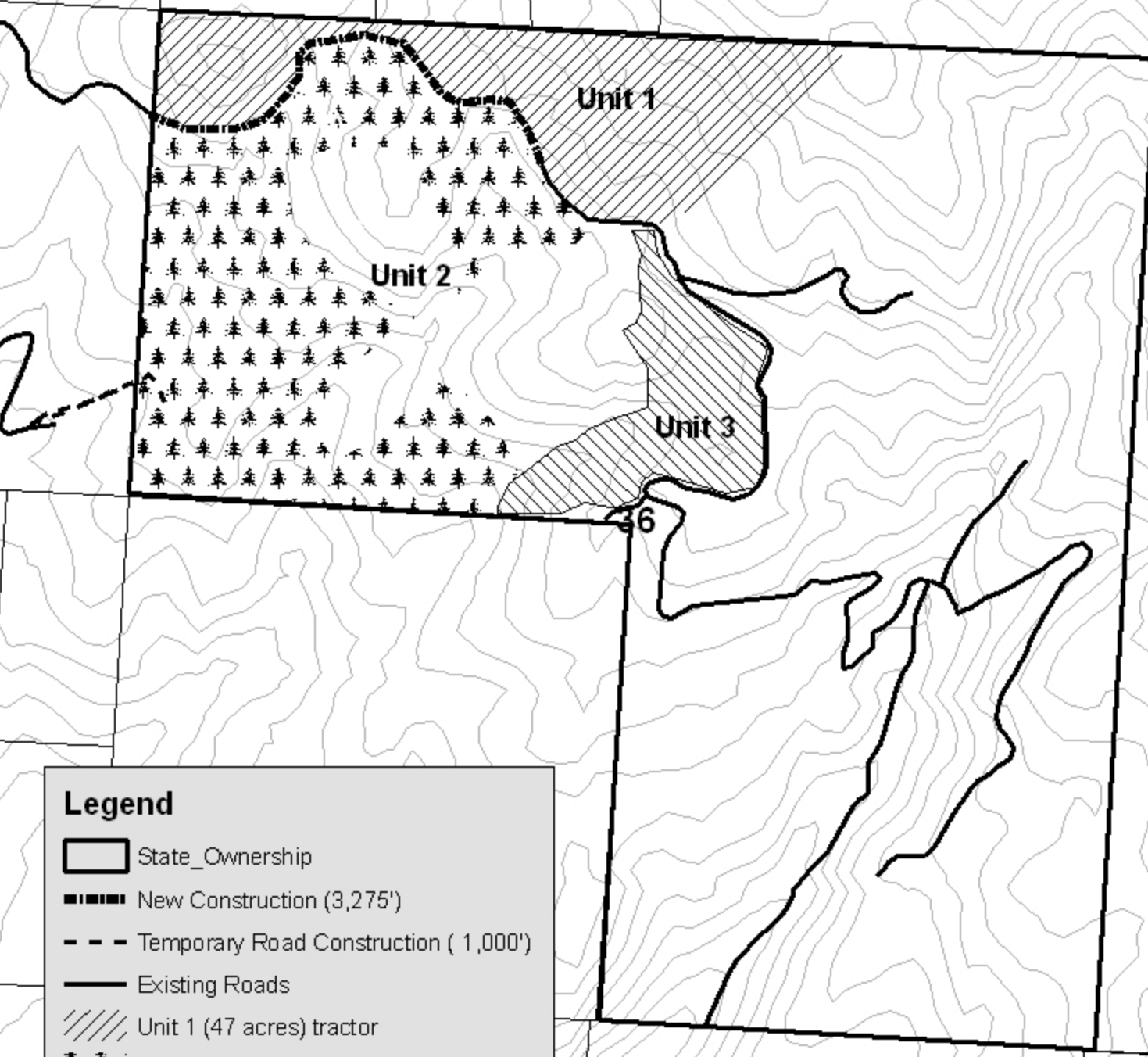
Timber Sale Cruise Data										
SPECIES	PP	DF	WL	LP	ES	WF	CE	WP	Dead	TOTAL or AVE
Minimum Bid										\$5.02/ton
Pounds per cubic foot	58	60								
Total estimated tons sawlogs (6.0" top DIB)	2,155	1,221								3,376 tons
Estimated tons of other material (pulp, etc)	N/A	N/A								0 tons
Gross MBF Scribner	394	196								590 MBF
% Cull and Breakage	18	16								17.7%
Net MBF Scribner	322	164								485 MBF
Average logs per MBF	25	27								26.0 logs/M
Average DBH	12.4	12.1								12.2 in.
Average tons per acre harvested in leave-tree marked units	→									N/A
Average tons per acre harvested in cut-tree-marked units	→									24 tons/ac
Average MBF to cut per acre on the timber sale	→									3.4 MBF/ac
Range of cut trees per acre based on unit cruise	→									27
Calculated Sampling Error: Total cruised volume will fall between	415 and 556 Net MBF in 9 out of 10 cruises									14.6%
Tons Per Thousand Board Feet										
Contract Value - Estimated tons hauled per thousand Scribner board feet	3,376 estimated tons / 485 Net MBF Scribner									6.96 tons/MBF

Contract Information	
Contract ending date	6/30/2012
Contract length	21 months
Operating Season:	December 1 - February 15; June 1 - October 15

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
N1/2 & SE1/4	36	11N	19W	CS	1	47	1,110	160
					2	76	1,794	258
					3	20	472	68
See <u>Instructions</u> for how to fill in this table								
Totals						143 Ac.	3,376 T	485 M

**Eight Mile Timber Sale
Section 36 T11N, R19W
143 Acres**



Legend

- State_Ownership
- New Construction (3,275')
- Temporary Road Construction (1,000')
- Existing Roads
- Unit 1 (47 acres) tractor
- Unit 2 (76 acres) tractor
- Unit 3 (20 acres) tractor

