IRON EXCALINE TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Iron Excaline Timber Sale is located within Section 36, T31N-R34W on the State's Libby Unit. Approximately 2,948 tons, consisting of Douglas-fir, western larch, white fir, and cedar sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on March 19, 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 $1,708.00, 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 45 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 Northwestern Land Office, in Kalispell (406-751-2257), or the Libby Unit Office in Libby, MT (406-293-2711).


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

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, cashier’s 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 delivered weight may 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 is planned for March 5, 2015 at 9:00 a.m. The tour will meet at the Weigh Station at the Junction of Highway 2 and Highway 56 and proceed to the sale area. Contact Dave Marsh at (406) 293-2711 if you plan on attending.

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. Cable yarding equipment must be capable of mobilizing on and operating from an excavated trail less than or equal to 14' wide.
2. Soils in this timber sale area typically do not dry sufficiently until late summer, particularly in Unit 2.
3. OPERATING PERIOD: June 16th - March 30th, and restricted to periods when soil moisture is dry, the ground is frozen or snow covered to minimize compaction, displacement, or erosion as required in Section VII.L.1 & 2.
4. Both the temporary skid trail and temporary landing spur road will be water barred following use and any inactive period of more than 10 calendar days.
5. The Forest Officer must be present during road work at station identified in the road log.
6. Tree marking and harvesting are by description.
7. Alternative Yarding Systems may be approved in Unit 1.
## Timber Sale Information Sheet

Montana Department of Natural Resources and Conservation

### IRON EXCALINE TIMBER SALE

<table>
<thead>
<tr>
<th>Timber Sale Cruise Data</th>
<th>SPECIES</th>
<th>PP</th>
<th>DF</th>
<th>WL</th>
<th>LP</th>
<th>ES</th>
<th>WF</th>
<th>CE</th>
<th>WP</th>
<th>Dead</th>
<th>TOTAL or AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Bid</td>
<td></td>
<td>$11.59/ton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pounds per cubic foot</td>
<td>62</td>
<td>58</td>
<td>60</td>
<td>44.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated tons of sawlogs (5.6&quot; top DIB)</td>
<td>2,617</td>
<td>155</td>
<td>99</td>
<td>76</td>
<td>2,948 tons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated tons of other material (pulp, etc)</td>
<td>23.9</td>
<td>0.8</td>
<td>0.2</td>
<td>1.4</td>
<td>26 tons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross MBF (Scribner 5.6&quot; top DIB)</td>
<td>512</td>
<td>30</td>
<td>23</td>
<td>17</td>
<td>582 MBF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Cull and Breakage</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>10</td>
<td>14.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net MBF (Scribner 5.6&quot; top DIB)</td>
<td>438</td>
<td>26</td>
<td>18</td>
<td>15</td>
<td>497 MBF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average logs per MBF</td>
<td>17.1</td>
<td>22.9</td>
<td>14.5</td>
<td>21.3</td>
<td>17.3 logs/M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average DBH</td>
<td>14.3</td>
<td>13</td>
<td>18.2</td>
<td>12.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average tons per acre harvested in leave-tree marked units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>61 tons/ac</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average tons per acre harvested in cut-tree-marked units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 tons/ac</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average MBF to cut per acre on the timber sale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.2 MBF/ac</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of cut trees per acre based on unit cruise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67 - 105</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculated Sampling Error: Total cruised volume will fall between 389 and 605 Net MBF in 9 out of 10 cruises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Tons Per Thousand Board Feet

| Contract Value - Estimated tons hauled per thousand Scribner board feet | 2,948 estimated tons to a 5.6 inch top / 497 Net MBF Scribner to a 5.6 inch top DIB | 5.94 tons/MBF |

### Contract Information

<p>| Contract ending date | 7/19/2016 |
| Contract length      | 16 months |
| Operating Season:    | June 16, - March 30th as soil conditions are met in Section VII.L.1 &amp; 2. |</p>
<table>
<thead>
<tr>
<th>Logging Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% of volume logged by clearcut or seed tree cut</td>
<td>100%</td>
</tr>
<tr>
<td>% of volume logged with tractors</td>
<td>36%</td>
</tr>
<tr>
<td>% of volume logged by ground lead (jammer)</td>
<td>00%</td>
</tr>
<tr>
<td>% of volume logged by skyline</td>
<td>64%</td>
</tr>
<tr>
<td>Yarding distance tractor (average)</td>
<td>2000 ft.</td>
</tr>
<tr>
<td>Yarding distance ground lead (average)</td>
<td>0 ft.</td>
</tr>
<tr>
<td>Yarding distance skyline (average)</td>
<td>2200 ft.</td>
</tr>
<tr>
<td>Estimated haul distance (paved)</td>
<td>31.1 miles</td>
</tr>
<tr>
<td>Estimated haul distance (unpaved)</td>
<td>0.4 miles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Road development and maintenance fees and estimates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated road development cost total</td>
<td>$6,154</td>
</tr>
<tr>
<td>Estimated road development cost per ton</td>
<td>$2.09/ton</td>
</tr>
<tr>
<td>Estimated road development cost per MBF</td>
<td>$12.39/MBF</td>
</tr>
<tr>
<td>Estimated Purchaser-do road maintenance cost total</td>
<td>$177</td>
</tr>
<tr>
<td>Estimated Purchaser-do road maintenance cost per ton</td>
<td>$0.06/ton</td>
</tr>
<tr>
<td>Private road maintenance charges per ton</td>
<td>$0.00/ton</td>
</tr>
<tr>
<td>USFS road maintenance charges per ton</td>
<td>$0.00/ton</td>
</tr>
<tr>
<td>Miles of road construction</td>
<td>0.1 miles</td>
</tr>
<tr>
<td>Miles of road reconstruction</td>
<td>0.0 miles</td>
</tr>
<tr>
<td>Miles of road with site improvements</td>
<td>1.4 miles</td>
</tr>
<tr>
<td>Miles of road reclamation or abandonment</td>
<td>0.0 miles</td>
</tr>
<tr>
<td>Miles of road maintenance and blading</td>
<td>1.1 miles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchaser fees and estimated costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Improvement fee per MBF</td>
<td>$25.13/MBF</td>
</tr>
<tr>
<td>Forest Improvement fee per ton</td>
<td>$4.23/ton</td>
</tr>
<tr>
<td>Forest Improvement fee estimated total</td>
<td>$12,470.04</td>
</tr>
<tr>
<td>Forest Improvement fee concurrent w/ stumpage</td>
<td></td>
</tr>
<tr>
<td>Estimated Purchaser-do FI total $</td>
<td>$5,690</td>
</tr>
<tr>
<td>Estimated Purchaser-do FI per ton</td>
<td>$1.93/ton</td>
</tr>
<tr>
<td>Estimated Purchaser-do slash disposal work total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Estimated Purchaser-do slash disposal work per ton</td>
<td>$0.00/ton</td>
</tr>
<tr>
<td>Bid Guarantee (total $)</td>
<td>$1,708.00</td>
</tr>
<tr>
<td>Performance Bond</td>
<td>20% of bid value</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit harvest volume</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit #</td>
<td>Acres</td>
</tr>
<tr>
<td>--------</td>
<td>-------</td>
</tr>
<tr>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>2</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>110 Ac.</td>
</tr>
</tbody>
</table>
### Legal description by trust

<table>
<thead>
<tr>
<th>Legal description - subdivisions</th>
<th>Section</th>
<th>Twn</th>
<th>Rge</th>
<th>Grant</th>
<th>Unit #</th>
<th>Acres</th>
<th>Est Tons</th>
<th>Est MBF</th>
</tr>
</thead>
<tbody>
<tr>
<td>W 1/2</td>
<td>36</td>
<td>31N</td>
<td>34W</td>
<td>CS</td>
<td>1</td>
<td>48</td>
<td>2,889</td>
<td>487</td>
</tr>
<tr>
<td>W 1/2</td>
<td>36</td>
<td>31N</td>
<td>34W</td>
<td>CS</td>
<td>2</td>
<td>62</td>
<td>59</td>
<td>10</td>
</tr>
</tbody>
</table>

**See Instructions for how to fill in this table**

| Totals                         |         |       |       |       |        | 110 Ac.| 2,948 T  | 497 M   |

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation
Iron Excaline Timber Sale

Harvest Map

W 1/2 Section 36, T31N, R34W

Legend

- Unit 1 (48 Ac.)
- Unit 2 (62 Ac.)
- Harvest Unit number
- SMZ
- Equipment Restriction Zones
- Excavated Skid Trail / Yarder Trail (Temporary)
- New Road Construction (Temporary)
- State Trust Land
- Existing Roads
- Slash Piling Area (17 Ac.)
- Lopping Area (31 Ac.)

1 inch equals 0.2 miles