NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The North Elliston Salvage Timber Sale is located within Section 16, T10N-R6W, on the State's Anaconda Unit. Approximately 5,306 tons of lodgepole pine sawlogs and 1,800 tons of post/rail material will be offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on September 5, 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 $4,660.00, 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 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 Southwestern Land Office, in Missoula (406-542-4200), or the Anaconda Unit Office (406-563-6078).

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

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

Publication Dates: August 20, 27, & September 3, 2008
Timber Sale Name: North Elliston Salvage
Timber Sale Location: Section 16, T10N-R6W
For specific sale information, contact:  
Phone  406-563-6078  Brian Robbins  Unit Office: Anaconda
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 DNRC bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
3. DNRC 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, bank money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a performance bond within 15 days of the sale award. It will amount to 20% or more of the 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.
6. The Purchaser must submit an advance stumpage payment prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. The Purchaser will pay Forest Improvement fees and any special Road Use and Maintenance fees in addition to stumpage payments.
8. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
9. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood will be weighed and billed at per ton bid rates. The Department 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 the tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding.
10. DNRC 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 its market value. Purchasers should make their own estimates based on contract requirements.
11. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above. Since the section is behind a locked gate with limited access, please call Brian Robbins at (406) 563-6078 for the combination to the gate.
12. Estimated stand data in this prospectus and volume estimates 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.
14. Non-Sawlog Products – Post and Rail Material will be bid and will be required to be cut and removed. The bid for post and rails will be added to the bid for sawlogs to determine the successful bidder. Pulp removal is optional however, if removed the contract price will be $50/Load.
### TABLE 1: Summary of Sale Specifications

<table>
<thead>
<tr>
<th>Sale Data</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>113</td>
<td>Net Sale Area (acres)</td>
<td>N/A</td>
</tr>
<tr>
<td>July 31, 2010</td>
<td>Contract ending date</td>
<td>6.19 Miles of road maintenance</td>
</tr>
<tr>
<td>N/A</td>
<td>Cable logging required (% of volume)</td>
<td>0 Miles of road reclamation or abandonment</td>
</tr>
</tbody>
</table>

Operating Season: Logging – October 1 – February 15

### Charges and Appraised Costs

- **Bid Guarantee (total $)**: $4,460.00
- **Performance Bond**: $0
- **Collected Road Maintenance And Road Use Charges ($ per ton)**: $3.54
- **Collected Forest Improvement Fee ($ per ton)**: $3,130.54
- **Quarterly Installment of Forest Improvement Payments ($ per payment, first 5 payments)**: $10,000
- **Road Development Costs - Appraised Purchaser-Do (total $)**: $0
- **Road Maintenance Costs - Appraised Purchaser-Do**: $0
- **Slash Disposal Costs - Appraised Purchaser-Do ($ per ton)**: $0
- **Timber Stand Improvement Costs - Appraised Purchaser-Do**: $0

### 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/AF</th>
<th>ES</th>
<th>WF</th>
<th>CE</th>
<th>DD</th>
<th>TOTAL or AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Acceptable Bid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$17.56/ton</td>
</tr>
<tr>
<td>Gross Cubic Feet (in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Cull and Breakage</td>
<td>25</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Net Cubic Feet (in thousands)</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>61.7</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45.2</td>
</tr>
<tr>
<td>Net tons</td>
<td>413</td>
<td>4,893</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,306</td>
</tr>
<tr>
<td>Gross MBF</td>
<td>64</td>
<td>906</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>970</td>
</tr>
<tr>
<td>Net MBF</td>
<td>48</td>
<td>778</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>826</td>
</tr>
<tr>
<td>Average logs per MBF</td>
<td>41.6</td>
<td>66.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>58.2</td>
</tr>
<tr>
<td>Average DBH</td>
<td>11.7</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.6</td>
</tr>
</tbody>
</table>

Average tons per acre harvested in leave-tree marked units: 46.95
Average tons per acre harvested in cut-tree-marked units: N/A
Average net MBF to cut per acre on the timber sale: 7.307
Range of cut trees per acre based on unit cruise: 9.6

**Calculated Sampling Error (net MBF): 18%**
The total cruised volume will fall between 677.5 and 974 thousand net board feet in 9 out of 10 cruises

**Tons Per Thousand Board Feet Conversion Factor** = 5,306 net tons per 826 net MBF = 6.42 tons per MBF
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>16</td>
<td>113</td>
<td>5,306</td>
<td>826</td>
<td>February 15, 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,800 (post/rail)</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

Additional Sale Information:

1. Purchaser will be required to power wash all off road harvesting equipment prior to entering State Land.

2. Purchaser will be required to return skid slash to the harvest units as directed by the Forest Officer.

3. Purchaser will be required to furnish and install the following:
   - 2 – 18” X 20’ relief CMP’s
   - 1 – 18” X 24’ relief CMP

ROAD LOG

*Existing drain dips shall be maintained or reconstructed as directed by the Forest Officer.*

**Existing Road**

0.00  Start at Sieben Gate
0.53  Clean ditch for approximately 50’
0.57  Install 18”x20’ relief CMP and reshape 100’ of ditch
0.59  Clean out catch basin
0.62  Clean out catch basin
0.67  Clean out catch basin
0.87  Clean catch basin and reshape ditch to 0.92
1.34  Approximately 100’ of ditch
1.79  Reshape 100’ of ditch
2.77  Clean inlet of catch basin
2.79  Clean inlet of catch basin
2.82  Clean inlet of catch basin
2.88  No work to inlet but reshape ditch
2.94  No work to inlet but reshape ditch
3.06  Install 18” x 24’ relief culvert and reshape ditch
3.10  Reshape ditch
3.12  Clean out inlet
3.17  Reconstruct catch basin and ditch
3.31  Construct 50’ of ditch and install 18” x 20’ CMP

* Existing drain dips shall be maintained or reconstructed as directed by the Forest Officer.