NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Scout Lake #4 Timber Sale is located within Sections 19 & 29, T24N-R17W, on the State's Swan River State Forest. Approximately 9,849 tons of sawlogs, consisting primarily of western larch, grand fir, spruce, 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 March 4, 2013 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 $10,790.00, 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 Swan River State Forest Office in Swan Lake, MT (406-754-2301).


/s/ Sonya Germann, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: January 31, February 7, 14, 21, 2013
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, 15% 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. All units are in a “closed” Grizzly Bear Subunit. This means that harvest operations are restricted and may only occur between November 16th and March 1st for the years 2013 and 2014. In 2015 the Grizzly Bear Subunit “opens” which allows harvest operations to occur from June 16th to March 1st. Grizzly Bear Spring Habitat closures will be applicable between April 1st and June 15, 2015. No activity may occur behind road closures during this time.

2. Non-sawlog material may be purchased if approved by the Forest Officer. This material would be billed at a negotiated rate as detailed in a contract amendment.

3. In addition, Units 19-12 and 19-17 are restricted to the winter operating period from award of the contract to March 1, 2013, November 16, 2013 to March 1, 2014, and November 16, 2014 to March 1, 2015.

4. Units 19-12, 19-17, 29-07, and 29-22 have SMZ areas flagged. Cut trees are marked for harvesting within the SMZ.

5. Requires winter road building during the operational period of November 16th – December 15th. Spreading of gravel, blading, and other road maintenance activities can be done during the summer.

6. Weed spraying is required on all designated haul routes behind road closures prior to or the spring following completion of all commercial activities. Weed spraying application must be completed by July 1st weather permitting. Spraying shall be done by a commercial applicator licensed by the State of Montana or by personnel under the direct supervision of the licensed applicator.

7. Unit 19-17 has a species designation for removal of merchantable LPP, GF, and AF. Other species present in the stand are marked to cut.

8. Units 19-17 and 29-07 have Permitted Crossings.

9. Units 19-12 and 19-17 have required slashing.

10. Units 29-07 has required lopping.
**Scout Lake 4**

### Timber Sale Cruise Data

<table>
<thead>
<tr>
<th>SPECIES</th>
<th>DF</th>
<th>WL</th>
<th>LP</th>
<th>ES</th>
<th>AF</th>
<th>GF</th>
<th>Dead</th>
<th>TOTAL or AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Bid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$21.91/ton</td>
</tr>
<tr>
<td>Pounds per cubic foot</td>
<td>62</td>
<td>58</td>
<td>56</td>
<td>57</td>
<td>55</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated tons of sawlogs (5.6&quot; top DIB)</td>
<td>1,436</td>
<td>3,252</td>
<td>88</td>
<td>1,790</td>
<td>1,235</td>
<td>2,009</td>
<td>40</td>
<td>9,849 tons</td>
</tr>
<tr>
<td>Estimated tons of other material (pulp, etc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0 tons</td>
</tr>
<tr>
<td>Gross MBF (Scribner 5.6&quot; top DIB)</td>
<td>282</td>
<td>807</td>
<td>18</td>
<td>349</td>
<td>230</td>
<td>465</td>
<td>10</td>
<td>2,159 MBF</td>
</tr>
<tr>
<td>% Cull and Breakage</td>
<td>15</td>
<td>14</td>
<td>15</td>
<td>13</td>
<td>17</td>
<td>30</td>
<td>15</td>
<td>18.1%</td>
</tr>
<tr>
<td>Net MBF (Scribner 5.6&quot; top DIB)</td>
<td>238</td>
<td>690</td>
<td>15</td>
<td>302</td>
<td>191</td>
<td>324</td>
<td>8</td>
<td>1,768 MBF</td>
</tr>
<tr>
<td>Average logs per MBF</td>
<td>16.4</td>
<td>8.7</td>
<td>18.8</td>
<td>19.8</td>
<td>30</td>
<td>22.7</td>
<td>27.7</td>
<td>16.7 logs/M</td>
</tr>
<tr>
<td>Average DBH</td>
<td>15.4</td>
<td>21.3</td>
<td>11.2</td>
<td>12.4</td>
<td>10.5</td>
<td>13.6</td>
<td>10</td>
<td>13.7 in.</td>
</tr>
</tbody>
</table>

- **Average tons per acre harvested in leave-tree marked units**: 56 tons/ac
- **Average tons per acre harvested in cut-tree-marked units**: 28 tons/ac
- **Average MBF to cut per acre on the timber sale**: 8.5 MBF/ac
- **Range of cut trees per acre based on unit cruise**: 7-68
- **Calculated Sampling Error**: Total cruised volume will fall between 1,518 and 2,019 Net MBF in 9 out of 10 cruises

### Tons Per Thousand Board Feet

- **Contract Value - Estimated tons hauled per thousand Scribner board feet**: 9,849 estimated tons to a 5.6 inch top / 1,768 Net MBF Scribner to a 5.6 inch top DIB
- **5.57 tons/MBF**

### Contract Information

- **Contract ending date**: 8/31/2016
- **Contract length**: 42 months
## Logging Information

<table>
<thead>
<tr>
<th>% of volume logged by clearcut or seed tree cut</th>
<th>00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of volume logged with tractors</td>
<td>100%</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>00%</td>
</tr>
<tr>
<td>Yarding distance tractor (average)</td>
<td>500 ft.</td>
</tr>
<tr>
<td>Yarding distance ground lead (average)</td>
<td>0 ft.</td>
</tr>
<tr>
<td>Yarding distance skyline (average)</td>
<td>0 ft.</td>
</tr>
<tr>
<td>Estimated haul distance (paved)</td>
<td>60.0 miles</td>
</tr>
<tr>
<td>Estimated haul distance (unpaved)</td>
<td>2.0 miles</td>
</tr>
</tbody>
</table>

## Road development and maintenance fees and estimates

- Estimated road development cost total: $18,982
- Estimated road development cost per ton: $1.93/ton
- Estimated road development cost per MBF: $10.73/MBF
- Estimated Purchaser-do road maintenance cost total: $8,619
- Estimated Purchaser-do road maintenance cost per ton: $0.88/ton
- Private road maintenance charges per ton: $0.00/ton
- USFS road maintenance charges per ton: $0.00/ton
- Miles of road construction: 0.6 miles
- Miles of road reconstruction: 0.0 miles
- Miles of road with site improvements: 6.1 miles
- Miles of road reclamation or abandonment: 0.0 miles
- Miles of road maintenance and blading: 0.0 miles

## Purchaser fees and estimated costs

- Forest Improvement fee per MBF: $25.13/MBF
- Forest Improvement fee per ton: $4.51/ton
- Forest Improvement fee estimated total: $44,418.99
- Estimated Purchaser-do FI quarterly installment: $7,403.17
- Estimated Purchaser-do FI total $: $1,431
- Estimated Purchaser-do FI per ton: $0.15/ton
- Estimated Purchaser-do slash disposal work total: $0.00
- Estimated Purchaser-do slash disposal work per ton: $0.00/ton
- Bid Guarantee (total $): $10,790.00
- Performance Bond: 15% of bid value

## Unit harvest volume

<table>
<thead>
<tr>
<th>Unit #</th>
<th>Acres</th>
<th>Est Tons</th>
<th>Est MBF</th>
<th>Harvest date</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-12</td>
<td>61</td>
<td>3,439</td>
<td>630</td>
<td>March 1, 2015</td>
</tr>
<tr>
<td>19-17</td>
<td>67</td>
<td>1,851</td>
<td>316</td>
<td>March 1, 2015</td>
</tr>
<tr>
<td>29-07</td>
<td>14</td>
<td>794</td>
<td>145</td>
<td>March 1, 2016</td>
</tr>
<tr>
<td>29-22</td>
<td>47</td>
<td>2,307</td>
<td>411</td>
<td>March 1, 2016</td>
</tr>
<tr>
<td>29-23</td>
<td>20</td>
<td>1,458</td>
<td>266</td>
<td>March 1, 2016</td>
</tr>
</tbody>
</table>

- 209 Ac. 9,849 tons 1,768 MBF
<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>S1/2</td>
<td>19</td>
<td>24N</td>
<td>17W</td>
<td>CS</td>
<td>19-12</td>
<td>61</td>
<td>3,439</td>
<td>630</td>
</tr>
<tr>
<td>E1/2</td>
<td>19</td>
<td>24N</td>
<td>17W</td>
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<td>411</td>
</tr>
<tr>
<td>SE1/4</td>
<td>29</td>
<td>24N</td>
<td>17W</td>
<td>CS</td>
<td>29-23</td>
<td>20</td>
<td>1,458</td>
<td>266</td>
</tr>
</tbody>
</table>

See Instructions for how to fill in this table

| Totals                           |         |     |     |       |        | 209 Ac.| 9,849 T  | 1,768 M |

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation
Scout Lake Sale 4
Vicinity Map
Attachment A1
Sections 19 & 29 T24N, R17W

Scout Lake Sale 4