

PROSPECTUS

Si'lmtsu Logging Unit

COEUR D'ALENE INDIAN RESERVATION

THIS TIMBER IS NOT SUBJECT TO EXPORT RESTRICTIONS OR SUBSTITUTION LAWS

INTRODUCTION

Coeur d'Alene Tribal Forestry offers for sale by sealed bid, in accordance with 25 CFR 163 an estimated 1,920 MBF of merchantable timber and 132 tons of Mixed Fir Species tonwood on the Si'lmtsu Logging Unit. Bids will be opened at the Coeur d'Alene Tribal Forestry Office, Plummer, Idaho 83851 on July 2, 2014. No bids will be accepted after 10:00 AM local time, except as allowable by TERO Ordinance and CDA Resolutions 346 (2003) and 279 (2004). Only bids from entities that have a current Coeur d'Alene Tribal Business license will be accepted.

This prospectus is furnished to acquaint you with some of the requirements and features of this logging unit. If its wording or meaning disagrees with the contract, the contract is final and binding. We urge you to discuss complete contractual obligations with the forestry staff at the Coeur d'Alene Tribal Forestry Office in Plummer, Idaho. Arrangements may be made there for examination of the sale unit. No guarantee is made of the forest products volume or quality mentioned herein. You are urged to make your own independent estimates to determine your bidding decisions. Each bidder must be prepared to assume full responsibility for the success of the operation under contract terms at the price bid.

BIDDING PROCEDURES

Acceptable bids must be submitted in duplicate, on forms provided, in a sealed envelope marked outside "Proposal for Timber, Si'lmtsu Logging Unit" and sent to the Superintendent, Coeur d'Alene Agency, P.O. Box 287, Plummer, ID 83851, or hand delivered to the Coeur d'Alene Tribal Forestry Building, 402 Anne Antelope Avenue, Plummer, ID 83851. Each bid must state the price per net thousand board feet (MBF), Scribner Decimal C log scale that will be paid for sawlogs cut and scaled. Minimum bid prices for the Si'lmtsu Logging Unit are:

Ponderosa Pine Sawlogs	\$175.00 per MBF
Douglas-fir and Other Species Sawlogs	\$245.00 per MBF
Mixed Fir Species – tonwood (log diameters 4 to 5.5 inches—non-biddable)	\$20.00 per TON

The Si'lmtsu Logging Unit contains minor, unestimated amounts of the following products that are not biddable items. These include:

All Species—Pulp and Other Products	\$2.00 per TON
Blue-stained Pine Sawlogs	\$10.00 per MBF

Bidders must also submit a completely signed copy of their Tribal Business license to expedite the award process. Indian preference will apply as per TERO Ordinance. Bidders claiming Indian Preference Logging certification must submit verification of Indian Preference Logging Contractor status to be considered for Indian Preference.

PERIOD OF CONTRACT

The contract provides that all the timber designated for cutting will be hauled and scaled on or before September 30, 2015. All other contract obligations will be completed by October 31, 2015. In addition, 450 MBF is required for removal by November 30, 2014.

The seed tree unit in Allotment 552 must be harvested and slash work and firelines installed prior to July 31, 2015.

Increased stumpage rates can be expected on volume hauled and scaled after September 30, 2015 or if the minimum volume is not removed by November 30, 2014.

LOCATION

The contract area is located on both sides of US Highway 95 north of the Coeur d'Alene Tribal Casino Resort and Hotel, Worley, Idaho. It is accessed by taking US Highway 95 north from Worley, Idaho approximately 3 miles past the Casino turnoff to the Setters area. The sale area is approximately 22 miles south of Coeur d'Alene, Idaho. The entire area is located in Kootenai County, Idaho. Approximately 369 acres are included in the logging unit.

Access Routes: A 5.5 mile stretch of US Highway 95 between Worley and Coeur d'Alene, Idaho encompasses the major access route to the sale area. From US 95, the following road systems access timber stands:

Allotment 507: From the US 95 /State Route 58 junction, take US 95 north 1.7 miles to a paved approach on the east side of the highway. A field crossing is required to access timber and a low, seasonally wet area separates the crop field from the timber.

Allotment 510: From US 95, turn west on Setters Road and go .2 miles. Turn south on Bitter Road and go 0.75 miles to the junction of old US 95 and Bitter Road (there is a train overpass near there). Take old US 95 0.5 miles south to a native surface road bearing west that accesses timber.

Allotment 527: From US 95/State Route 58 junction, take US 95 0.6 miles north to a recently constructed paved approach to Missile Base Road on the west side of the highway. Take Missile Base Road 0.4 miles west to timber.

Allotment 540 From US 95, turn west on Setters Road and go .2 miles. Turn south on Bitter Road and go 0.5 miles to native surface road bearing west into timber. A field crossing from the Setters Road south is planned for access to timber on the western portion of the allotment.

Allotment 551: From US 95, turn west on Setters Road and go 1.8 miles. Turn north on Idaho Road and go 0.7 miles to Stringham Road. Go east 0.1 miles to native surface roads bearing north and south into timber.

Allotment 552: From US 95 north of the Lake Creek bridge, turn southeast on Sun Up Bay Road and go .25 miles to Ness Road. Take Ness Road 1.1 miles south to Sun Meadow Road. Take Sun Meadow Road 0.25 miles south to timber.

Mileage to Area Wood Product Processing Facilities

Bennett Lumber Products in Princeton, Idaho	56
Boise Cascade, Kettle Falls, Washington	116
Boise Cascade, Arden, Washington	101
Idaho Forest Group, Chilco, Idaho	33
Idaho Forest Group, LaClede, Idaho	79
Idaho Forest Group, Lewiston, Idaho	98
Potlatch Lumber Company, St. Maries, Idaho	35
Stimson Timber Company, Plummer, Idaho	15
Stimson Timber Company, St. Maries, Idaho	35
Swan Lake Fiber Company, St. Maries, Idaho	35
Thompson River Lumber Company, Thompson Falls, Montana	117

SPECIAL CONSIDERATIONS

Use of field crossings will require a rapid response to conditions where timber must be cut, skidded, and hauled in a narrow window between crop harvest and sowing of the future crop. Crossings will be required for timber in Allotments 507 and 540. Any debris falling into fields from logging operations must be removed and disposed of in a proper location and in a timely manner.

No cutting shall be allowed between December 1 and June 30 during the life of the contract unless the Purchaser agrees to and performs special slash disposal tactics. Tribal Forestry shall approve tactics required to limit infestation by pine engraver beetles (*Ips pini*). These tactics may include burning or chipping slash at landings, or other special treatment. Operations other than cutting shall be at the discretion of the Officer in Charge to provide security for wildlife and to prevent damage to roads.

Limbing and topping of approximately 50 trees prior to skidding followed by **hand piling** of tops and limbs will be required within a 7-acre overstory removal unit in Allotment 527.

Lopping and scattering of slash and **felling unmerchantable Douglas-fir and grand fir** trees will be required within a 20-acre seed tree unit in Allotment 552.

TIMBER CRUISE SUMMARY

Cruise volume in areas marked to cut was estimated by measuring every cut tree diameter at breast height (DBH) to the nearest one-inch diameter class with a Biltmore stick and using Forest Projection and Planning System (FPS) software to predict heights and to calculate gross volume per tree. Defect and breakage were estimated to be 15 percent for ponderosa pine and 20 percent for Douglas-fir and other species over the sale area.

Ten variable radius plots were installed in seed tree unit.

Tables 1, 2, and 3 below display volume by allotment per species and other information.

Table 1: Harvest Volume By Allotment

Allotment Number	Total Acreage	Acreage to be logged	Sawlog Volume (MBF)	Volume (MBF)		Cut Volume per Acre	Logs per MBF
				PP	DF&OS		
A507	161.48	19.5	80	80	0	4,300	11.4
A510	161.33	56.8	390	390	0	6,796	9.5
A527	160.00	61.8	290	290	0	4,773	11.5
A540	157.25	76	330	320	10	4,316	12.2
A551	184.00	70.3	340	340	0	4,879	11.9
A552	159.45	84.3	490	200	290	5,623	13.6
Total	983.51	368.7	1,920	1,620	300	5,180	11.9

Table 2. Thousand Board foot (MBF) volume by log diameter and species summary*

Dib Species	6 to 7	8 to 9	10 to 12	13 to 15	16 to 18	19 plus	Total Volume	Total Trees
PP	76	117	259	290	327	551	1,620	6,340
Percent	5	7	16	18	20	34	100	82
DF&OS	30	30	60	60	50	70	300	1,386
Percent	10	10	20	20	17	23	100	18
Total	106	147	319	350	377	621	1,920	7,726

*Defect and breakage estimate of 15% for ponderosa pine and 20% for Douglas-fir and other species

Table 3. Estimated volume and minimum acceptable bid

Product	Estimated Volume	Minimum Bid
PP Sawlogs	1,620 MBF	\$ 175.00 per MBF
DF&OS Sawlogs	300 MBF	\$ 245.00 per MBF
Mixed Fir Species Tonwood	132 TONS	\$ 20.00 per TON (non-biddable)

TIMBER MARKING

Within the logging unit, trees are designated for cutting by paint marks at eye level and below stump height. All trees designated for cutting are to be cut and tested for merchantability.

Trees are marked for CUT with the following colors of paint:

Blue: Allotments 510, 527, 540, 552

Orange: Allotment 507 and 551

Trees are marked for LEAVE in the seed tree unit in Allotment 552 with orange paint.

Additional timber may be designated for cutting during the life of the contract. The purchaser will be required to cut and pay for any additional timber designated for cutting.

ROAD CONSTRUCTION AND MAINTENANCE

Existing roads can be used to access most of the contract area. Road work needed is minimal and consists mostly of blading occasional stretches of deeply rutted sections of native surfaced roads and re-opening old logging roads. Occasionally, access needs to be re-established in areas where old roads have become re-vegetated with small trees and brush. Two culverts are required for installation across old roads that are planned for logging access. One will be removed following logging and one will remain. Also, three ditch culverts are required to cross into timber stands along county roads. Some portions of roads are located in low lying areas that become seasonally wet and un-drivable. Operations must be scheduled during dry or frozen ground conditions.

The following road access requirements are listed:

- (a) A 0.3 mile crop field crossing into timber stands in Allotment 507 will be used for timber access during periods following crop harvest and prior to new crop establishment unless other arrangements are made.
- (b) The purchaser is required to reconstruct approximately 0.8 miles of road within Allotment 510 and provide and install one 18 inch by 20 ft. CMP culvert as shown in Exhibit B. This culvert shall be removed following completion of logging activities and prior to the contract expiration date.
- (c) The purchaser may reconstruct approximately 0.4 miles of road within Allotment 527. This work will consist of light blading and removal of occasional young trees.
- (d) A 0.3 mile crop field crossing into timber stands in Allotment 540 will be used to access westernmost timber stands during periods following crop harvest and prior to new crop establishment unless other arrangements are made. Any debris resulting from the purchaser's use of this field crossing shall be removed on a daily basis. The purchaser shall provide and install one 12 inch by 40 ft. CMP culvert where the field crossing leaves Setters Road. This culvert shall be removed following completion of logging activities and prior to the contract expiration date.
- (e) The purchaser may reconstruct approximately 0.4 miles of road within Allotment 551, and shall provide and install two 12 inch by 40 ft. CMP culverts, one on each side of Stringham Road in the ditch line. These culverts shall be removed following completion of logging activities and prior to the contract expiration date.
- (f) The Purchaser shall construct approximately 0.6 miles of road within Allotment 552 and provide and install one 18 inch by 20 ft. CMP culvert. This culvert shall not be removed following completion of logging activities.

Roads must be maintained while in use as directed by the Officer in Charge. Road work required of the purchaser is expected to consist primarily of maintaining satisfactory drainage on roads. Construction of cross ditches and removal of any material that would impede runoff will be required prior to seasonal shut down of operations or periods of heavy runoff. If warranted, dust abatement measures will be required around residences or in the interests of safety. At the completion of logging, necessary maintenance and repairs to un-surfaced roads followed by grass seeding must be completed by the purchaser.

EROSION CONTROL

After final road maintenance, approximately 2 miles of secondary haul roads, spur roads, landings, and exposed skid trails (except those in farm fields) shall be seeded with a native grass and fertilizer mix provided by the purchaser.

LOGGING RESTRICTIONS

The contract area frequently remains soft and muddy during winter and spring months. The season of operation may be restricted to only the months of July through October.

Field crossings will be limited to time periods after harvest, and prior to sowing of a new crop unless other arrangements are made.

Operations may be suspended for such periods as the Officer in Charge may deem necessary to avoid excessive damage when ground conditions are unfavorable.

The Purchaser shall supply flaggers at any time their operations fall within 150 feet of the Union Pacific rail lines in Allotment 540 on Monday, Wednesday, or Friday or when so directed by the Officer in Charge. Notification of logging activities must be made to Union Pacific Railroad whenever the Purchaser's operations are within 150 feet of the closest edge of the railroad right of way as directed by the Officer in Charge.

No operation of skidding equipment will be allowed within delineated Riparian Management zones. Operation of skidding equipment within 25 feet of any intermittent stream must have prior approval of the Officer in Charge. All stream crossings must be designated and approved in advance in writing by the Officer in Charge. Rock, culverts, log corduroy, PVC pipe bundles, or a similar acceptable substitute may be required. Acceptable substitute requirements:

1. Must be able to allow unimpeded runoff passage during storm events
2. Must maintain stream bank stability
3. Must maintain integrity of stream bottom

Operation of skidding equipment will only be permitted on dry or frozen soils. Liquidated damages may be assessed for unauthorized stream crossings, soil damage from unauthorized skid trail and/or landing construction, and soil loss resulting from improper water bar installation. The amounts will be set at \$500.00 for each unauthorized stream crossing and at ten cents per square foot of soil damaged or lost by improper skid trail, landing, or water bar installation.

SCALING PROVISIONS

Scaling shall be by third party scaling service authorized to scale Indian logs (or by USDA Forest Service scalers at approved sites), except that waste material shall be scaled by Tribal Forestry. Third party scaling by the consuming mill may be authorized by the Approving Officer through approval of a Consumer Scale Authorization and Third Party Scaling Agreement with the consuming mill(s). If the Purchaser is the consuming mill, an Addendum to the Consumer Scale Authorization must be approved, requiring that an independent producer (logging sub-contractor) must cut and skid the timber to be scaled and that the basis for payment between the two parties will be based on scale.

The planned scaling frequency is 100 percent.

Logs that become blue-stained due to negligence on the part of the purchaser shall be considered green sawlogs for payment purposes. Blue-stained sawlogs are defined as logs showing blue stain in both ends of the scaling cylinder.

SLASH AND CULL TREE DISPOSAL

Whole tree skidding of trees is required except in the Seed Tree Unit, the Overstory Removal Unit, and as directed by the Officer in Charge to protect established regeneration. Slash depth remaining after skidding must be no higher than three feet and at no closer than three feet from residual trees. Along roads, landings, and where machine piling is directed, slash and woody debris shall be grapple piled. Slash remaining from previous harvest operations or from insect, wind, or other damage shall be re-piled with current harvest slash. Landing slash shall be compactly piled, free of dirt, and no closer than 30 feet to live trees. Cull logs skidded into landings must be compactly decked, separated from slash and not burned.

Trees felled to lie within the 7-acre Overstory Removal Unit shall be limbed and topped prior to skidding. Directional falling and pre-designated skid trails shall be utilized within this unit to minimize damage to established regeneration. Branches and tops shall be hand piled in openings between established conifer regeneration. Slash piles shall be placed no closer than 4 feet from the closest tree. Piles shall be compact and no larger than 216 cubic feet unless otherwise allowed by the Officer In Charge.

Harvest trees in the 20-acre Seed Tree Unit will be limbed and topped prior to skidding. Whole tree skidding with return of slash to the unit will not be acceptable. The purchaser shall move any slash from his operation at least 6 feet from residual trees through lop and scatter or other pull back method. Unmerchantable trees remaining in the Seed Tree Unit shall be cut and lopped into lengths no greater than 5 feet.

The purchaser will not be responsible for burning. A payment in the amount of \$7,480 dollars will be required from the purchaser to cover the cost to the Tribe of burning and planting.

Fireline construction around the Seed Tree Unit in Allotment 552 is required.

The purchaser shall obtain and furnish a copy of the Certificate of Slash Disposal Compliance from the Idaho Department of Lands to the Coeur d'Alene Tribal Forestry Department before beginning operations.

DEPOSIT WITH BID

A deposit with bid, in the amount of TWELVE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$12,500.00) in the form of cashier's check, bank draft, or postal money order, payable to the Bureau of Indian Affairs, must accompany each sealed bid. The deposit of the apparent high bidder and of others who submit written requests to have their bids considered for acceptance will be retained pending acceptance or rejection of bids. Deposits of the unsuccessful bidders will be returned.

NOXIOUS WEEDS

Skidding equipment shall be washed seasonally prior to move-in. Washing shall be sufficient to remove weed seeds from the equipment. The Officer in Charge additionally may require washing of skidding equipment prior to movement to a different location.

UTILIZATION

Timber shall be cut to fully utilize the merchantable material and to yield the maximum stumpage value. Timber cut into lengths or products of lesser value shall be scaled as if cut to yield the maximum value of products covered by the contract. The purchaser shall ensure that all merchantable material that is designated to be cut is removed from the sale. All waste in improper long butts, tops, broken and partially sound logs, missed logs or trees, and trees designated for cutting that are not removed shall be scaled by Tribal Forestry and paid for by the purchaser.

PAYMENT FOR TIMBER

The purchaser shall pay for timber **in advance of cutting** through advance payments and advance deposits in a form acceptable to the Approving Officer. Payments and deposits are due on the date specified in the written requests from the BIA/Tribe.

ADVANCE PAYMENT

An advanced payment equal to 25% of the contract stumpage value is due within 30 days from the date of each subsidiary contract approval and before cutting begins. Advance payments shall be credited against the timber of each ownership in the sale as the timber is cut and scaled at the contract stumpage rates. Advance payments are not refundable.

ADVANCE DEPOSIT

The contract requires that timber will be paid for in advance of being cut. This shall be accomplished by maintaining an account of advance deposits, which the Purchaser will pay into at regular intervals during the course of operations to maintain a minimum balance. The minimum advance deposit and minimum balance shall be calculated based on the bid rate and expected monthly production of the purchaser.

After the bid has been accepted by the Approving Officer, a required Log Plan meeting will be held with the Purchaser to determine the specifics of the planned harvest operation. The Advance Deposit will then be calculated by multiplying the average volume of the monthly production during the Purchaser's usual or average planned season of operations by the bid price for all sawlogs and products of the estimated volume.

Refunds of any surplus account balance shall be made to the purchaser upon closure of the sale.

PERFORMANCE BOND

A performance bond in the amount of \$35,000 shall be furnished by the Purchaser within 30 days of the acceptance of the bid, and shall be retained for the duration of the contract to ensure satisfactory performance by

the Purchaser. The bond may be in the form of a cashier's check, or other form acceptable to the Approving Officer.

TRIBAL EMPLOYMENT RIGHTS ORDINANCE (TERO)

Coeur d'Alene Tribal Forestry operates under an Indian preference labor ordinance. The Tribal Employment Rights Ordinance (TERO) requires that Indian subcontractors be given preference for hiring. Before bidding, prospective bidders should contact the following office to obtain full information regarding qualifications, availability and other requirements for Indian subcontractors to claim TERO preference. All bidders are required to obtain a Coeur d'Alene Tribal Business license prior to submitting a bid. Business licenses can be obtained from the TERO office indicated below. The purchaser and any subcontractors will be required to submit a TERO compliance plan to the TERO director for approval and provide a notification to proceed to Tribal Forestry each season.

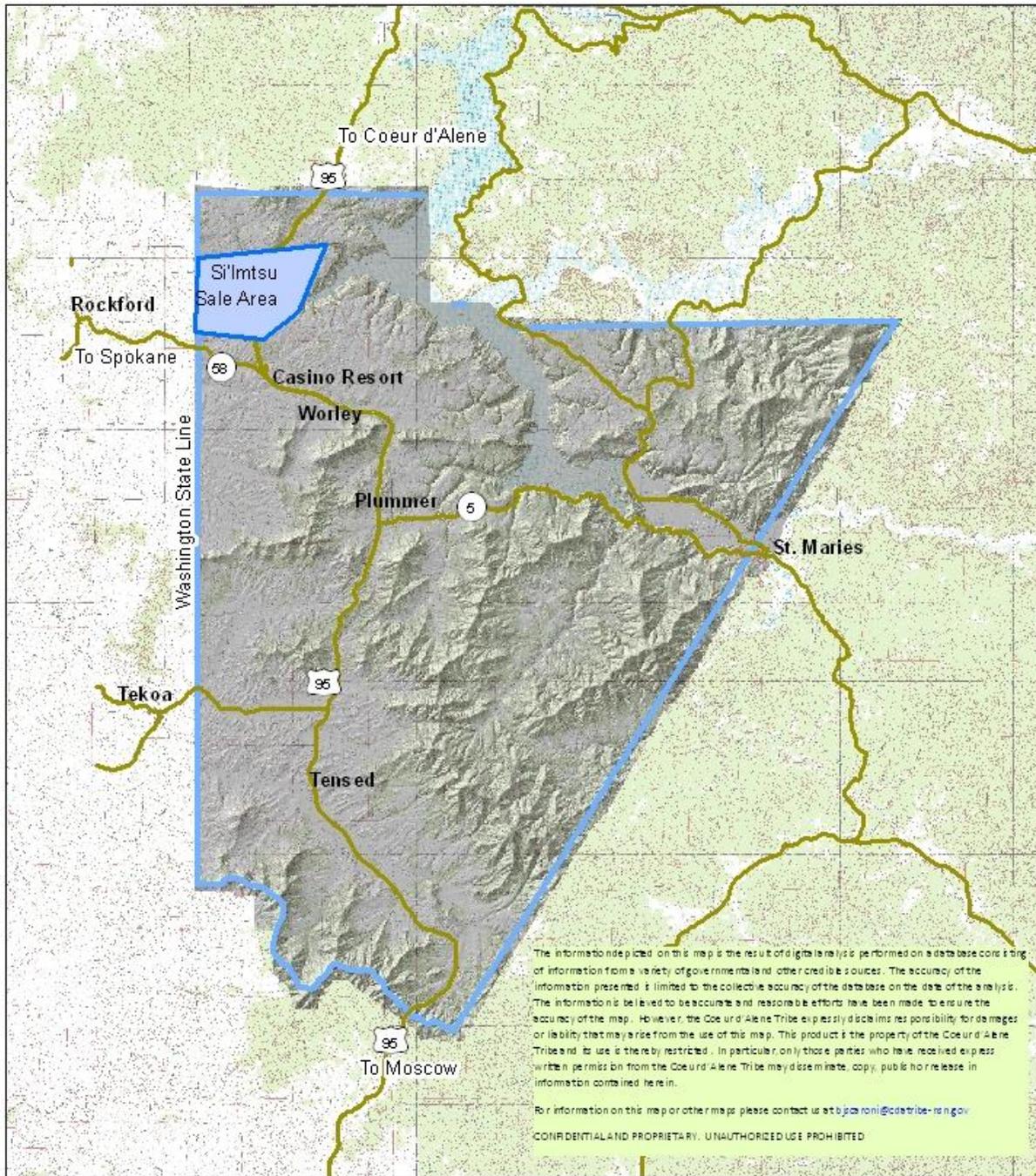
Coeur d'Alene Tribal Employment Rights Office (TERO)
P. O. Box 408, 850 A Street
Plummer, ID 83851
Telephone: (208) 686-6107

FINANCIAL STATEMENT

Before officially accepting the bid, the Coeur d'Alene Tribe may require a financial statement from a corporation, partnership, or individual who has not previously purchased timber from the Coeur d'Alene Tribe.

CONCLUSION

Additional Information may be obtained from Kurt Mettler at the Coeur d'Alene Tribe Forestry Department, 402 Anne Antelope Road, P. O. Box 408, Plummer, ID 83851 at (208) 686-1315. Prospectus, sample contract, and bid forms may be obtained by contacting the Forestry office or online from the Tribal website under natural resources/forestry at www.cdatribe-nsn.gov.



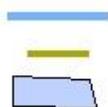
Si'lmtsu Vicinity Map

Map by: bjscaroni

0 7,000 14,000 28,000 Feet

Date: 3/24/2014

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Reservation Boundary
Highway
Timber Sale Area

