

PROSPECTUS

Pete Silas 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 100 MBF of merchantable timber on the Pete Silas Logging Unit. The sale is composed of 99 percent ponderosa pine sawtimber with minor amounts of lodgepole pine, Douglas-fir, and grand fir. Bids will be opened at the Coeur d'Alene Tribal Forestry Office, Plummer, Idaho 83851 on June 29, 2015. No bids will be accepted after 10:30 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. The sale of timber will use a timber sale contract for the sale of estimated volumes.

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, Pete Silas Logging Unit" and mailed or hand delivered to the Coeur d'Alene Tribal Forestry Building, P.O. Box 408, Plummer, Idaho 83851 or hand-delivered to 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 Pete Silas Logging Unit are:

Ponderosa Pine and Other Species Sawlogs	\$200.00 per MBF
--	------------------

The Pete Silas Logging Unit contains minor, un-estimated 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 October 15, 2015. All other contract obligations will be completed by October 31, 2015.

LOCATION

The contract area is located near Setters, Idaho. It is accessed from a stretch of US Highway 95 between Coeur d'Alene, Idaho and the Coeur d'Alene Casino. The sale area is approximately 25 miles south of Coeur d'Alene, Idaho. The entire area is located in Kootenai County, Idaho. Approximately 37 acres are included in the logging unit.

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	34
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 a field crossing 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. Any debris falling into fields from logging operations must be removed and disposed of in a proper location.

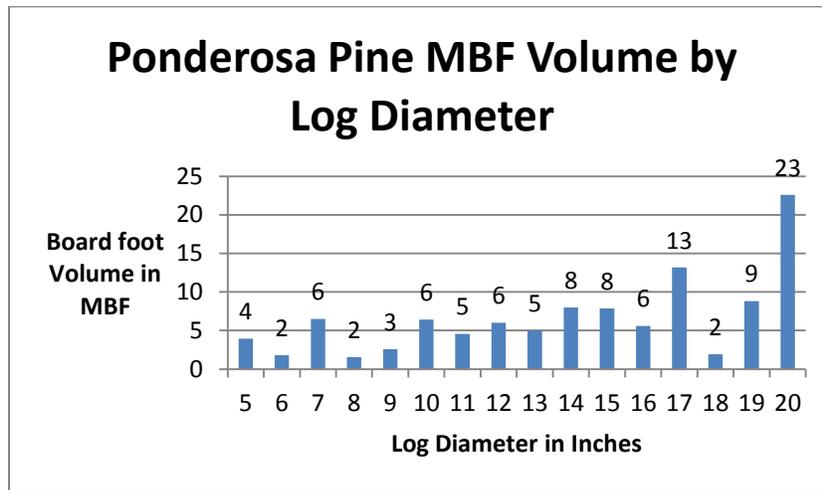
TIMBER CRUISE SUMMARY

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 and using Forest Projection and Planning System (FPS) software to calculate volume per tree. One of every seven trees marked for cutting was cruised for total height, taper, and defect.

Table 1: Averages by Species and Total Net MBF

Ponderosa Pine and other species	
Average DBH	17
Net BF per Log	76
% Defect	7
Trees to Cut	537
Net MBF	100

Table 2. Thousand Board Foot (MBF) Volume by Small End Log Diameter



TIMBER MARKING

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

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

A field crossing (after harvest and before a new crop is sowed) is needed to access timber in Allotment 593. Any roads constructed or used within the logging unit by the purchaser shall be water-barred, bladed, and seeded to grass prior to the contract expiration date.

EROSION CONTROL

Spur roads, landings, and exposed skid trails except those in farm fields shall be seeded with a native grass and fertilizer mix.

LOGGING RESTRICTIONS

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 or during periods of extreme fire danger.

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.

Operation of skidding equipment will only be permitted on dry 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. Any products purchased at a per ton rate may also be sample scaled on a 1 in 3 frequency, and any pieces meeting sawlog specifications shall be expanded to count loads and billed at the bid rates for sawlogs.

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 on both ends of the scaling cylinder and are a minimum of 8' 1" in length, and 5.51 inches in diameter.

SLASH AND CULL TREE DISPOSAL

Whole tree skidding of trees is required except as directed by the Officer in Charge to protect established regeneration. 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.

The purchaser shall be responsible for cutting any regeneration damaged by operations and making sure that any slash remaining in the unit is lying close to the ground and not adversely impacting the residual stand.

The purchaser will not be responsible for burning of piles.

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

DEPOSIT WITH BID

A deposit with bid, in the amount of TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00) in the form of cashier's check, bank draft, Irrevocable Letter of Credit, 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 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 the contract approval and before cutting begins. The advance payment shall be credited against the timber 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 surplus account balance shall be made to the Purchaser upon closure of the sale.

PERFORMANCE BOND

A performance bond in the amount of \$3,000 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 a copy to Tribal Forestry prior to commencement of operations 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 on the Coeur d'Alene Reservation.

CONCLUSION

Additional Information may be obtained from Kurt Mettler at the Coeur d'Alene Tribe Forestry Department, 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.