

PROSPECTUS: *Ch'ets'tene'st 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 4,279 MBF of sawlogs and 3,668 tons of pulp and tonwood known as the Ch'ets'tene'st Logging Unit. Bids will be opened at the Coeur d'Alene Tribal Forestry Building, Agency Road, Plummer, Idaho 83851 on September 10, 2013. No bids will be accepted after 10:00 A.M. local time except as allowable by Tribal Employment Rights Ordinance (TERO) and CDA Resolutions 346(2003) and 279(2004). Only bids from entities that have a current, fully signed Coeur d'Alene Tribal Business License will be accepted.

This prospectus is furnished to acquaint you with the principal requirements and features of this logging unit. If its wording or meaning disagree with the contract, the contract is final and binding. No guarantee is made of estimated volumes or timber quality mentioned herein. You may wish to discuss complete contract obligations at the Tribal Forestry Office near Plummer, Idaho at (208) 686-1315. Arrangements may be made to examine the sale area and you are urged to make such examination and to make an independent assessment 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, Ch'ets 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) for sawlogs using Scribner Decimal C log scale that will be paid for sawlogs cut and scaled. Minimum bid prices for the Ch'ets'tene'st Logging Unit are:

- 1,559 MBF Douglas-fir/western larch sawlogs at \$259/MBF
- 214 MBF ponderosa pine sawlogs at \$127/MBF
- 78 MBF western redcedar sawlogs at \$522/MBF (non-biddable)
- 27 MBF lodgepole pine/Engelmann spruce/subalpine fir sawlogs at \$232/MBF
- 2,402 MBF grand fir/hemlock/other species sawlogs at \$212/MBF
- 2,646 tons all species tonwood at \$5.00/ton (non-biddable, required removal)
- 1,022 tons all species pulp at \$1.00/ton (non-biddable, optional removal).

Bidders must submit a fully signed copy of their Tribal Business license with their bid. Bidders claiming Indian Preference must submit verification of TERO Indian Preference Logging Operator certification to be considered for Indian Preference.

DEPOSIT WITH BID

A deposit with bid, in the amount of thirty one thousand dollars (\$31,000.00) in the form of a cashier's check, or other form acceptable to the Superintendent, 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. All other deposits will be returned.

PERIOD OF CONTRACT

The contract provides that all designated timber shall be cut and paid for on or before December 31, 2014. All other obligations shall be completed by July 31, 2015.

LOCATION

The sale area includes T5458, T5464, T5465, T5466, T5472, T5483, T5484, & T5495 and located in:

portions of Sections 1, 12, 13, and 24 of T44N, R4W; and Sections 6, 17, 18, and 19 of T44N, R3W; all Boise Meridian, Benewah County, Idaho.

TIMBER CRUISE SUMMARY

The following cut volume data was estimated from 101 variable plots on approximately 234 acres, as seen in Table 1 for ground skidding operations and Table 2 for line skidding operations.

Table 1. Timber Cruise Summary of Cut Species / Cutting Block For All Ground Skidding Operations

| CUTTING BLOCK | ACRES | Gross MBF | Net MBF | % Defect | Net BF/ Log | Avg. DBH | Tonwood* | Pulp** |
|----------------------|--------------|------------------|----------------|-----------------|--------------------|-----------------|-----------------|---------------|
| 1A | 11.6 | 218 | 191 | 12.4 | 46 | 14.2 | 189 | 92 |
| 1B | 6.4 | 119 | 111 | 6.4 | 37 | 13.2 | 33 | 13 |
| 2 | 7.0 | 81 | 71 | 11.4 | 40 | 16.0 | 58 | 41 |
| 3 | 20.2 | 461 | 419 | 9.1 | 74 | 19.3 | 136 | 80 |
| 4 | 2.9 | 52 | 46 | 11.4 | 49 | 16.2 | 34 | 17 |
| 5 | 22.6 | 586 | 551 | 5.9 | 55 | 14.6 | 301 | 105 |
| 6 | 30.6 | 705 | 636 | 6.0 | 62 | 18.0 | 208 | 48 |
| 7 | 48.1 | 711 | 655 | 7.8 | 42 | 16.1 | 739 | 172 |
| TOTAL | 149.4 | 2,933 | 2,680 | 8.6 | | | 1,699 | 569 |

*Gross tons, (4.0 – 5.9”), no western redcedar and ponderosa pine **Gross tons, (2.0 – 3.9”), no western redcedar

The above plot cruise data is based on DBH and preferred lengths of 16.5 feet, with some length adjustments to clear defect or to utilize trees to the top diameter of 6.0” on all species (except western redcedar is appraised at 17.6’ length to a 9.0” top DIB).

Table 2. Timber Cruise Summary of Cut Species / Cutting Block For All Line Skidding Operations

| CUTTING BLOCK | ACRES | Gross MBF | Net MBF | % Defect | Net BF/ Log | Avg. DBH | Tonwood* | Pulp** |
|---------------|-------------|--------------|--------------|------------|-------------|----------|------------|------------|
| 1A | 4.9 | 92 | 81 | 12.4 | 46 | 14.2 | 80 | 40 |
| 2 | 11.5 | 132 | 117 | 11.3 | 40 | 16 | 94 | 68 |
| 3 | 14.5 | 330 | 300 | 9.1 | 46 | 9.1 | 98 | 59 |
| 4 | 24.3 | 428 | 379 | 11.4 | 46 | 14.2 | 276 | 145 |
| 5 | 29.6 | 766 | 721 | 5.9 | 55 | 14.6 | 400 | 139 |
| TOTAL | 84.8 | 1,748 | 1,598 | 8.6 | | | 948 | 451 |

*Gross tons, (4.0 – 5.9”), no western redcedar and ponderosa pine **Gross tons, (2.0 – 3.9”), no western redcedar

The above plot cruise data is based on DBH and preferred lengths of 16.5 feet, with some length adjustments to clear defect or to utilize trees to the top diameter of 6.0” on all species (except western redcedar is appraised at 17.6’ length to a 9.0” top DIB). As seen below, Table 3 shows the DIB classes/species/size classes distributed by 16-foot nominal log lengths.

Table 3. Appraised Sawlog Rates and 16 Foot Log Size Summary – All Cutting Blocks (MBF over % by diameter class)

| Species | Appraised \$/MBF | 6”-7” | 8”-9” | 10”-12” | 13”-15” | 16”-18” | 19”+ | TOTAL |
|-----------------|------------------|------------------------------|------------------------------|-------------------------------|------------------------------|-----------------------------|------------------------------|----------------|
| DF/WL | \$259 | 160.1 10% | 242.5 16% | 646.6 41% | 221.4 14% | 158.7 10% | 129.3 8% | 1,558.6 |
| PP | \$127 | 11.1 5% | 13.0 6% | 16.5 8% | 67.1 31% | 15.3 7% | 91.0 43% | 214.0 |
| WRC | \$522 | 19.5 25% | 18.8 24% | 13.9 18% | 15.1 19% | 9.3 12% | 1.8 2% | 78.4 |
| LP/ES/AF | \$232 | 12.3 46% | 3.5 13% | 3.4 13% | 1.5 5% | 0.0 0% | 6.0 23% | 26.6 |
| GF/H/OS | \$212 | 266.2 11% | 388.7 16% | 1028.8 43% | 299.7 12% | 186.2 8% | 231.9 10% | 2401.5 |
| TOTAL | --- | 469.1 (11%) | 666.6 (16%) | 1709.1 (40%) | 604.8 (14%) | 369.5 (9%) | 460.0 (11%) | 4279.1 |

Weight wood includes pulp (2.5”- 4.0” DIB), or logs with more than 66% defect and tonwood (4.0”- 6.0” DIB). Tonwood and pulp are optional for removal at a non-biddable rate of \$5.00/ton and \$1.00/ton respectively. There are an estimated 2,646 tons of tonwood and 1,022 tons of pulp.

TIMBER MARKING

This sale has trees marked for leave in ORANGE in most cutting blocks and to be cut in BLUE in cutting block 1B and on two access roads (on 2 sides and/or full bands near eye level of the bole and a butt mark at the base of the tree). The sale areas are shown on the Exhibit A Map.

The purchaser will be penalized for cutting designated leave trees even if the cutting is accidental. Trees in the unit containing less than the minimum sawlog and/or tonwood specifications may be removed at the purchaser's option if designated for cutting. Leave designations for any tree may be cancelled and/or changed by the Officer in Charge at any time before cutting.

TIMBER SALE ACCESS

Using U.S. Highway 95, the timber sale area can be accessed via the Old Sanders Road/Indian Creek Road, Fox Road, and Benewah/Alder Creek Road as seen on the Exhibit B Map. The harvest area is approximately 7 road miles east of Tensed, Idaho.

ROAD MAINTENANCE

Road repairs include blading to remove brush and fill any ruts or other damage on approximately 10 miles of the secondary logging road. 3 rolling dips are to be installed around cutting blocks 3, 4, and 7 prior to log truck hauling.

Final maintenance will be required on an estimated 8 miles and may include removing berms, filling in ruts/mud holes, repairing rolling dips, and blading the road surface.

MILL DISTANCES

The road distance from the midpoint of the sale area to U.S. Highway 95 is approximately 7 road miles. The highway distance to various local mills is included in Table 4 as seen below.

Table 4. Distances to local Mills

| Mill Name & Location | Distance | Mill Name & Location | Distance |
|---------------------------------|-----------------|----------------------------------|-----------------|
| Stimson (Plummer), Tonwood only | 21.2 mi | Swan Lake Fiber (St. Maries) | 24.0 mi |
| Bennett Lumber (Princeton) | 22.1 mi | Idaho Forest Group (Chilco) | 66.8 mi |
| Stimson (St. Maries) | 23.0 mi | Idaho Forest Group (LaCledé) | 113.0 mi |
| Potlatch (St. Maries) | 24.0 mi | Boise-Cascade (Kettle Falls, WA) | 147.0 mi |

EROSION CONTROL

The purchaser shall maintain roads and landings in passable condition, with cross drainage installed suitable to handle spring run-off prior to seasonal move-out. Skid trails shall be waterbarred seasonally. At the completion of operations, roads shall be smoothed and cross ditched as specified by the Officer in Charge.

LOGGING RESTRICTIONS

Firewood – no dead Douglas-fir/western larch can be removed from the logging unit unless approved by the Officer in Charge.

Unless logs are pre-bunched, skidding equipment shall be equipped with at least 75 feet of operating winch-line and shall not exceed 12 feet in width. Skidding equipment is restricted to designated or existing skid trails, landings or roads. Existing skid trails that parallel any intermittent stream shall not be used if they are located within 25 feet of a Class II and III streams. Skid trails that cross streams or seeps shall not be used without approval by the Officer in Charge and protective measures for the channel and banks. Liquidated damages will be charged for any unauthorized stream crossing in the amount of \$500.00 per crossing. Operations shall be suspended during periods

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of high soil moisture, as determined by the Officer in Charge. Damage from other unauthorized activities or negligence by the purchaser will be assessed at ten cents per square foot (\$4,356/acre) of area affected.

Equipment must be maintained to prevent leaking fuel, lubricant or hydraulic fluid, including during re-fueling and adding or changing lubricants or fluids.

Warning signs will be required on Indian Creek Road, Fox Road, and Alder Creek Road during periods of active hauling. The Officer in Charge may require special measures to ensure safe working conditions.

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 as defined in B7.4 shall be scaled by Tribal Forestry. The Purchaser shall employ and pay scaling charges directly to the scaling service, unless the Approving Officer authorizes the Purchaser to deposit funds with the Coeur d'Alene Tribe for payment to the scaling service.

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).

SLASH AND CULL TREE DISPOSAL

The Purchaser is relieved of the responsibility for burning slash. However, slash generated in the landings shall be piled at least 30 feet from leave trees and fire lines. Slash remaining from previous harvest operations or from insect, wind, or other damage shall be re-piled with current harvest slash. The Officer in Charge may require re-piling if slash piles contain excessive dirt.

Slash piles shall be located outside the drip ring edge of the nearest trees, a distance of at least 1½ times the average diameter of the slash pile. When stand conditions make compliance with the preceding statement impractical, slash piles shall be kept less than 10 feet in diameter and spaced from the leave trees as far as possible, but no less than 10 feet. Piling slash in piles and/or windrows is required in cutting block 6.

Cull trees shall be felled within 50 feet of firelines unless otherwise designated with orange paint to leave. Any non-marked (orange) dead trees more than 50 feet from the fire lines are optional cut.

NOXIOUS WEEDS

Skidding equipment shall be washed seasonally prior to move-in. Washing shall be sufficient to remove weed seeds from the equipment.

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/or advance deposits in the form of cashier's check or electronic funds transfer. Payments and deposits are due on the date specified in the written requests from the BIA/Tribe.

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.

After the bid has been accepted by the Approving Officer, a required Logging Plan meeting will be held with the Purchaser to determine the specifics of the planned harvest operation. The minimum 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.

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

PERFORMANCE BOND

A performance bond in the amount of fifty two thousand dollars (\$52,000.00) shall be furnished by the Purchaser within 30 days of the acceptance of the bid, before contract approval, 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, Irrevocable Letter of Credit, or other form acceptable to the Approving Officer.

TRIBAL EMPLOYMENT RIGHTS ORDINANCE (TERO)

The Coeur d'Alene Tribe operates under an Indian preference labor ordinance. The TERO requires that Indian subcontractors be given preference for hiring. Before bidding, prospective bidders should contact the TERO 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 fully signed 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

ADDITIONAL REQUIREMENTS

Cable yarding is required on cutting blocks 1A, 2, 3, 4, and 5 as seen on Exhibit A Map regardless of slope. The yarder must be able to reach a distance of at least 900 feet external yarding distance and the carriage must maintain a fixed position during lateral yarding. Any tailholds that are not adequately protected and/or removed may be charged as unauthorized cutting. Location of skidding corridors must have prior approval. Partial suspension is allowed in this operation.

Additional requirements include grass seeding on approximately 1.0 mile of secondary roads and 4.9 miles of firelines.

Three roads are to be cleared of brush to and from cutting blocks 5, 6, and 7 comprising of approximately 1.8 miles as seen in purple on Map Exhibit A. Road re-construction (0.16 miles in lime green) is optional to allow better access to cutting block 6.

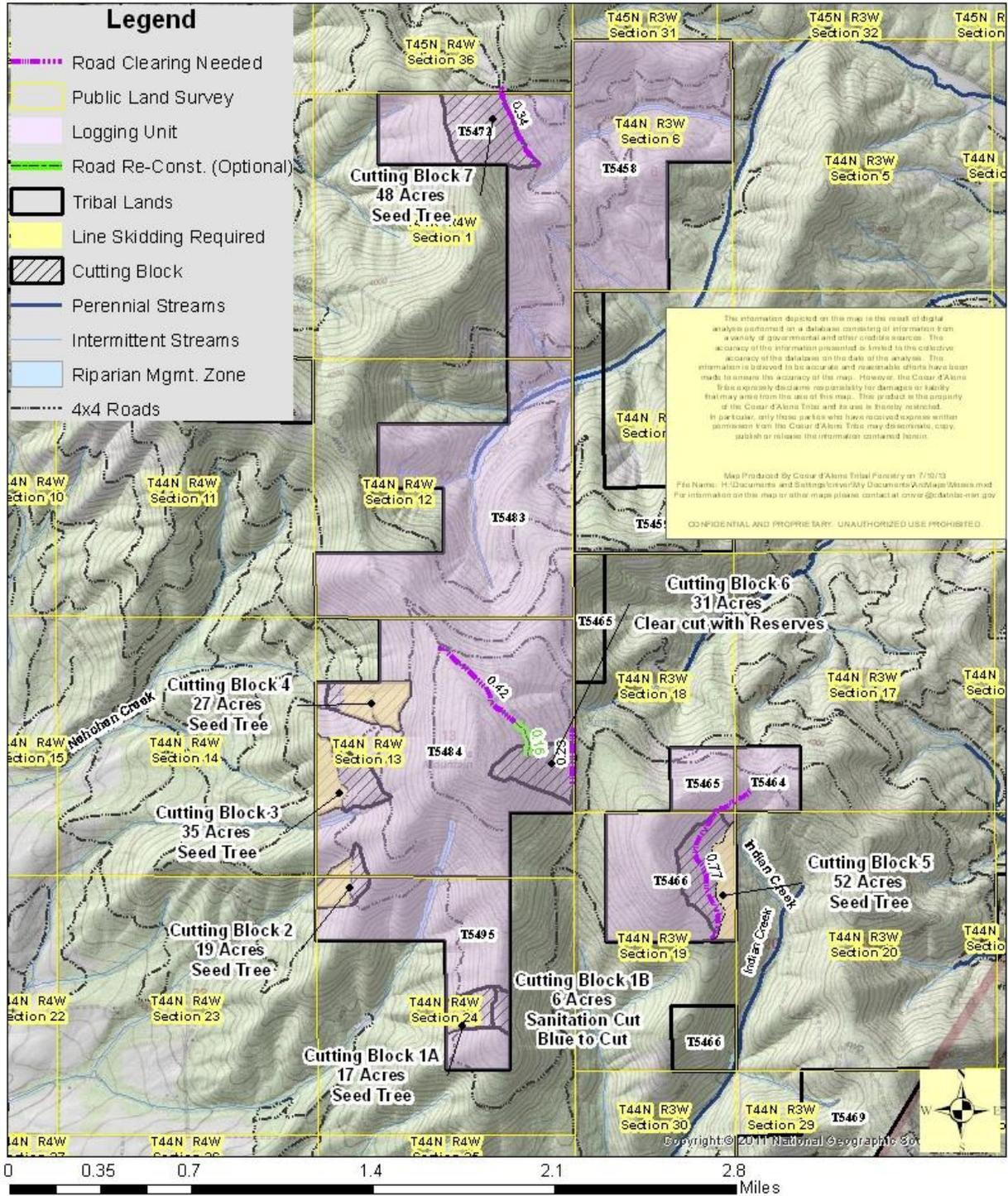
A separate check for \$40,000.00 is to be paid for reforestation purposes by December 31, 2014 or within 30 days of final hauling, whichever is first.

A separate check for \$30,000.00 is to be paid for prescribed burning purposes by December 31, 2014 or within 30 days of final hauling, whichever is first.

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, or Conrad M. Niver at (208) 686-1501. Also, at the Tribal Website at: <http://www.cdatribe-nsn.gov/natural/Forestry/forestry.aspx>

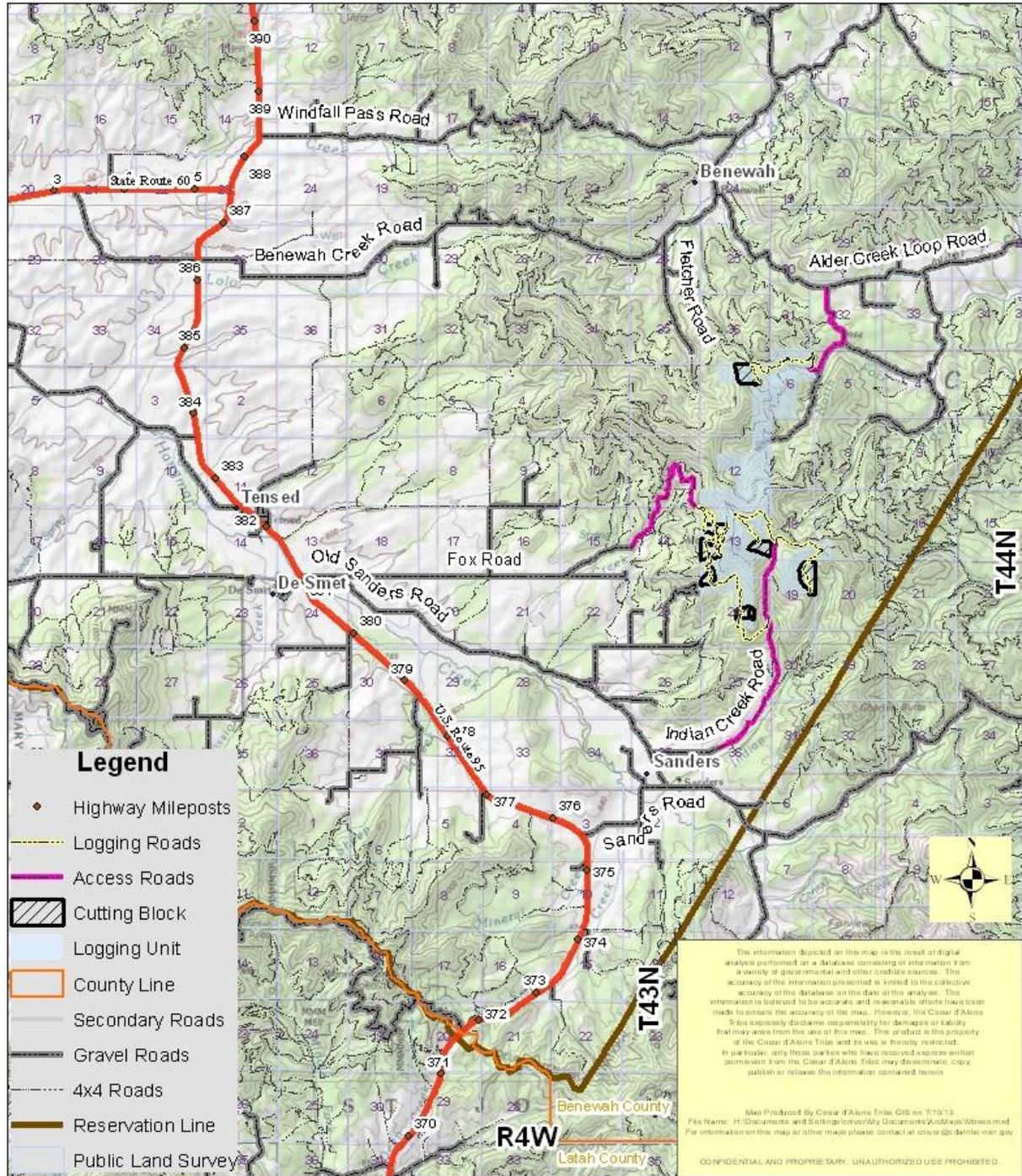
Exhibit A: Ch'ets'tene'st Logging Unit Map



All Cutting Blocks Marked in Orange to Leave, Unless Otherwise Noted

Map made by C. Niver on 7/10/2013

Exhibit B: Ch'ets'tene'st Transportation Map



0 1.25 2.5 5 7.5 10 Miles

Map made by C. Niver on 7/10/2013