

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #4491

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on December 12, 2011. LOCATION: KALKASKA FIELD OFFICE, 2089 N BIRCH ST, KALKASKA, MI 49646.

PROSPECTUS NOTE: The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs and contract terms of proposed sales. Please be aware that some landowners may request 60 days or more notice for access across their land.

Notice is hereby given that bids will be received by the Unit Manager, TRAVERSE CITY MANAGEMENT UNIT, for certain timber on the following described lands:

CROAKING OAK SOUTH (61-110-11-01) / T25N, R08W, SEC. 25, S1/2NW;N1/2SW.

Kalkaska County, Advertised Price \$6,499.70, 24.0 Acres

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

CROAKING OAK NORTH (61-111-11-01) / T25N, R08W, SEC. 25, SENW, SWNE.

Kalkaska County, Advertised Price \$3,738.35, 16.0 Acres

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

BID INSTRUCTIONS (VER. 10/20/2011):

1. Scheduled Bid Location, Date, and Time (2/11)

Bids must be received by the Unit Manager, KALKASKA OFFICE, 2089 N BIRCH ST, KALKASKA, MI 49646, no later than 3:00 p.m. (local time) on December 12, 2011. For further information concerning this sale, contact Dave Lemmien at 231-922-5250.

2. Bidder's Qualifications (6/11)

Purchaser shall obtain workers compensation insurance to cover claims under Michigan's Worker's Disability Compensation Act of 1969 or similar employee benefit act of any other state applicable to an employee. If all or part of a timber sale was prepared by a private contractor, that contractor and that contractor's company are not permitted to bid on the timber sale contract. Bids will not be accepted from individuals or companies appearing on the DNR/FMD No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.

3. Preparation of Sealed Bids (1/11)

Bids shall be manually signed in ink; bid prices must be entered for each species and product in the Bid Price column for all material subject to bidding; and all fill-in blanks must be completed. If erasures or other changes appear on the forms, each erasure or change must be initialed by the person signing the bid.

4. Submission of Sealed Bids (6/11)

Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) the sale name or number and (b) the date and time of bid opening as shown in the prospectus. Bids received after the time specified in the sale prospectus are late bids and will be rejected.

5. Public Opening of Sealed Bids (1/11)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

6. Award of Contract (1/11)

Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.

7. Down Payment (1/11)

The Bidder to whom award is made must make a down payment within 21 days of the sale award. The amount of the down payment will be calculated as shown in the Bond and Payment Schedule of this prospectus. Only cash may be used to meet this requirement.

8. Performance Security (1/11)

As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.

9. Timber Sale Contract (1/11)

Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/dnr. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 1 year. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove

the included timber by the termination date.

10. Disclaimer of Estimates and Bidder's Warranty of Inspection (1/11)

Before submitting this bid, the Bidder is advised and cautioned to inspect the sale area, review the requirements of the sale contract, and take other steps as may be reasonably necessary to ascertain the location, estimated volumes, construction estimates, and operating costs of the proposed sale. Failure to do so will not relieve the Bidder from responsibility for completing the contract.

The Bidder warrants that this bid is submitted solely on the basis of the Bidder's examination and inspection of the quality and quantity of the timber offered for sale and the Bidder's opinion of the value thereof and the costs of recovery. No reliance should be placed on the State of Michigan's estimates of timber quality, quantity or costs of recovery. Bidder further acknowledges that the State of Michigan: (i) expressly disclaims any warranty of fitness of timber for any purpose; (ii) offers this timber as is without any warranty of quality (merchantability) or quantity and (iii) expressly disclaims any warranty as to the quantity or quality of timber sold.

11. Certification and Chain-of-Custody (10/11)

Unless otherwise indicated in the contract under section 7 – Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-00090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC Pure and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

RODNEY STOKES Director

TIMBER SALE INFORMATION

CROAKING OAK SOUTH (61-110-11-01)

T25N, R08W, SEC. 25.

Kalkaska County (Advertised Price \$6,499.70)

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	ERTISED PRICE
Sawlogs			
Mixed Oak	34.90 MBF	\$	93.00 / MBF
Pulpwood			
Mixed Oak	296.00 Cords	\$	8.30 / Cord
White Ash	62.00 Cords	\$	10.60 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$140.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	ERTISED PRICE
Pulpwood			
Mixed Aspen	10.00 Cords	\$	14.00 / Cord

^{*} The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

- 1. A bond in the amount of \$500.00 to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The remainder is due before cutting begins.
- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 04/01/2012.

Sale Specific Conditions & Requirements

Sale Name: Croaking Oak South Sale Number: 61-110-11-01

2 - Timber Specifications

2.1 - Included Timber

2.1.4 - Species designation unit(s) (12/08)

Within Payment Unit(s) 1, red oak, aspen and ash trees are designated for cutting which meet minimum piece specifications in 2.2 - Utilization. No other trees are to be cut or damaged.

2.1.11 - Description of timber note (2/04)

Note that the majority of the oak and ash within the sale area is dead or dying.

4 - Transportation

4.2 - Maintenance

4.2.4 - Grading (12/08)

Roads must be graded after the sale is completed. In general, this will require a road grader, bull dozer or something that is capable of shaping up the roads after forest products have been hauled off site. The grading equipment to be used must be approved by the Unit Manager or his/her representative.

4.4 - Access

4.4.3 - Access gate (12/08)

The access gate must be "dummy" locked at the completion of each day unless otherwise approved by the Unit Manager or his/her representative.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (12/08)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations, and to go over sale specifications. The Unit Manager or his/her representative must be contacted at least 3 days in advance to schedule the conference.

5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

5.2 - Conduct of Operations

5.2.3 - Operating Restrictions

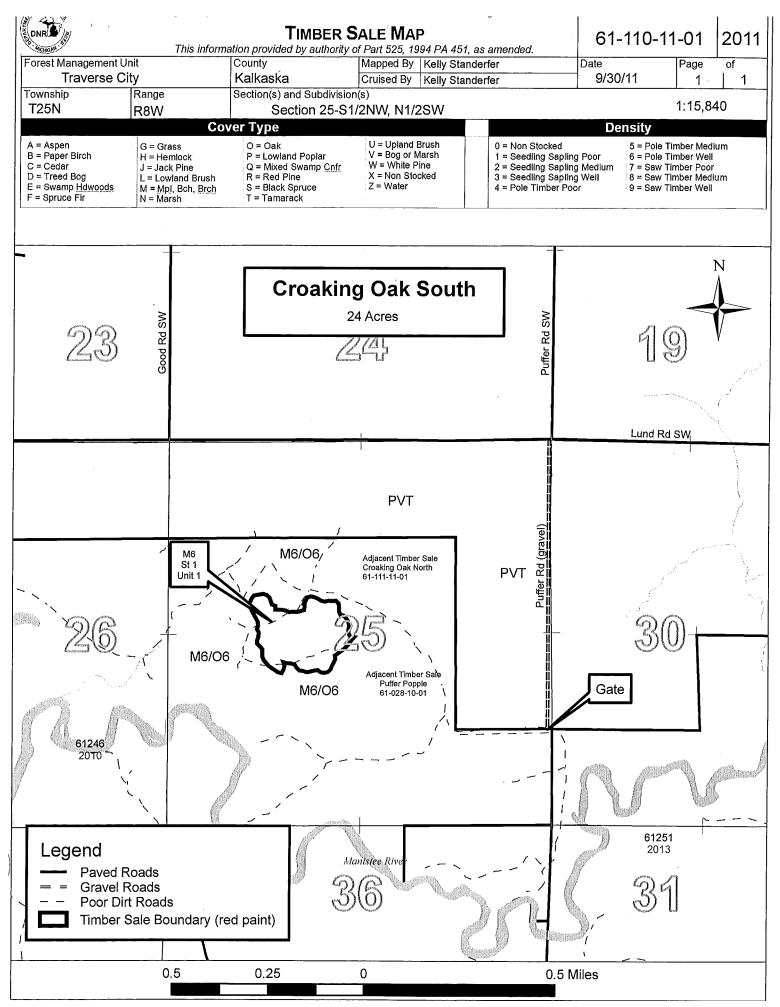
5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1, cutting, skidding, and hauling must be completed by 04/01/2012. This restriction is due to the fact that the sale area has experienced extensive mortaility and there may potentially be oak wilt present within or in the vicinity of the sale area.

5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

Section Name: Sale Specific Current as of 11/17/2011 1:22:02PM



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TIMBER SALE INFORMATION

CROAKING OAK NORTH (61-111-11-01)

T25N, R08W, SEC. 25.

Kalkaska County (Advertised Price \$3,738.35)

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	ESTIMATED UNITS*		ERTISED PRICE
Sawlogs			
Red Oak	19.20 MBF	\$	93.00 / MBF
Pulpwood			
Red Oak	171.00 Cords	\$	8.30 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$533.45:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADV	ADVERTISED PRICE		
Pulpwood					
Beech	11.00 Cords	\$	9.95 / Cord		
White Ash	40.00 Cords	\$	10.60 / Cord		

^{*} The total volume is statistically estimated within plus (+) or minus (-) 23.58 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

- 1. A bond in the amount of \$500.00 to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The remainder is due before cutting begins.
- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 04/01/2012.

Sale Specific Conditions & Requirements

Sale Name: Croaking Oak North Sale Number: 61-111-11-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by red paint. Exterior sale boundary lines against state are marked with red paint.

2 - Timber Specifications

2.1 - Included Timber

2.1.4 - Species designation unit(s) (12/08)

Within Payment Unit(s) 1, red oak, aspen, beech and ash trees are designated for cutting which meet minimum piece specifications in 2.2 - Utilization. No other trees are to be cut or damaged.

2.1.11 - Description of timber note (2/04)

Note that the majority of the oak and ash within the sale area is dead or dying.

4 - Transportation

4.2 - Maintenance

4.2.4 - Grading (12/08)

Roads must be graded after the sale is completed. In general, this will require a road grader, bull dozer or something that is capable of shaping up the roads after forest products have been hauled off site. The grading equipment to be used must be approved by the Unit Manager or his/her representative.

4.4 - Access

4.4.3 - Access gate (12/08)

The access gate must be "dummy" locked at the completion of each day unless otherwise approved by the Unit Manager or his/her representative.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (12/08)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations, and to go over sale specifications. The Unit Manager or his/her representative must be contacted at least 3 days in advance to schedule the conference.

5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

5.2 - Conduct of Operations

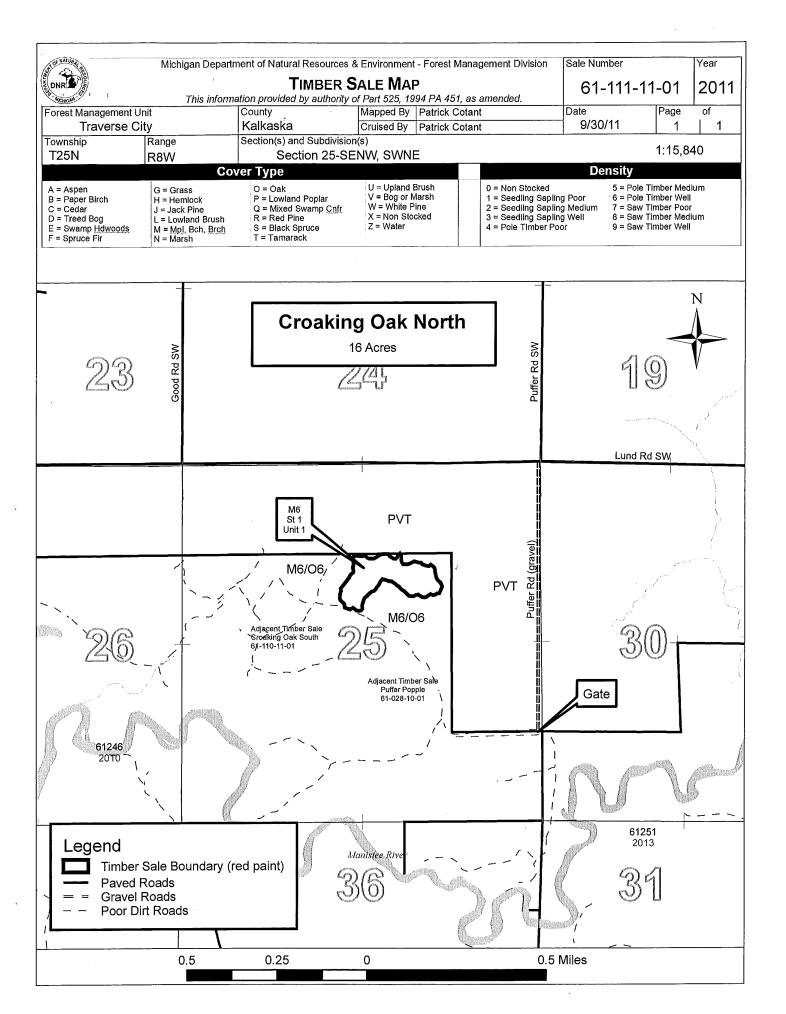
5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1, cutting, skidding, and hauling are must be completed by 04/01/2012. This restriction is due to the fact that the sale area has experienced extensive mortaility and there may potentially be oak wilt present within or in the vicinity of the sale area.

5.2.38 - No decking against live trees (2/04)

	Cut products may not be decked against unmarked or designated leave trees	s.	
ct	ion Name: Sale Specific	Current as of 11/17/2011	1:24:49PM



Address:

BID FORM

TRAVERSE CITY MANAGEMENT UNIT KALKASKA OFFICE

upon

CROAKING OAK SOUTH (61-110-11-01) T25N, R08W, SEC. 25, Kalkaska County

In response to the notice of sale to be held 3:00 p.m. (local time) on December 12, 2011, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may

be rejecte	u.							
PRODUC	TS & SPECIES	ESTIMATE	O UNITS*	ADVE	RTISED PRICE			
	d Oak	34.90	MBF	\$	93.00 / MBF	\$	/ MBF	
Pulpwood Mixed White	d Oak	296.00 62.00	Cords Cords	\$ \$	8.30 / Cord 10.60 / Cord	\$ \$	/ Cord / Cord	
n additior	n, the successful bidder agrees	to purchase	the following specie	s at the		ice for a total val	ue of \$140.00 :	
	TS & SPECIES	ESTIMATE	O UNITS*	ADVE	RTISED PRICE			
Pulpwood Mixed	d Aspen	10.00	Cords	\$	14.00 / Cord			
* The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.								
understan	nd that any or all bids may be d that consideration and award t and staffing subject to my col	ding a contrac	-					
Γ	FEDERAL ID:		or SOCIAL SECUR	ITY NU	MBER:			
	Company or individual bidding	g:						
	Company representative's na	me:						

State: Zip:

Individual or company representative's signature:	Date:	
Phone number:	Email (optional):	



Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.

FOR DEPARTMENT USE ONLY	
Sale Number (XX – XXX – XX – XX)	
Forest Management Unit:	

	VERIFICATION OF WORKER'S DISA	BILITY COMPENSATION ACT COMPLIANCE						
•	This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.							
•	In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.							
•	All Information must be typed or printed except for written signatures.							
Ple	ease Check Appropriate Categories:							
 My business is organized as (you must check <u>one</u> of the boxes below): A. Sole Proprietorship (individual) B. Partnership Corporation 								
2.	You must check <u>one</u> of the boxes below: A. I certify that my business is a sole proprietorship ar Worker's Compensation Laws.	nd it has no employees but the sole proprietor. I am not subject to the						
	Notice of Exclusion (BWC-337, Rev. 5/96). I will praward. (For questions or a copy of the BWC-337, pl	on to the Worker's Compensation Act through the use of an approved rovide a copy of the Notice of Exclusion within 21 days of the contract ease call the Worker's Compensation Bureau at 517-322-1195).						
	 C. I certify that my business has a Worker's Compensations days of the contract award. 	ation Policy. I will provide an original Certificate of Insurance within 21						
3.	If you have checked item 2(A) or 2(B), you must indicathan yourself, including family members and active part	ate the number of both full-time and part-time employees, other rtners (if none, you must enter "0").						
	Full-time Employees	Part-time Employees						
Nan	ne of Business	Federal ID (or) Social Security No.						
Add	ress	Telephone ()						
City	State	ZIP						
	ereby certify that the above information is true and correction in factors affecting my coverage during any of my pr	ect. I agree to notify the Michigan DNRE of any changes that resent and future operations.						
	Signature of Owner or Authorized Representative							
-	Title	Date						

BID FORM

TRAVERSE CITY MANAGEMENT UNIT KALKASKA OFFICE

CROAKING OAK NORTH (61-111-11-01) T25N, R08W, SEC. 25, Kalkaska County

In response to the notice of sale to be held 3:00 p.m. (local time) on December 12, 2011, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

	TS & SPECIES	<u>ESTIMATE</u>	D UNITS*	ADV	ERTISED PRICE		
Sawlogs Red		19.20	MBF	\$	93.00 / MBF	\$	/ MBF
Pulpwood Red		171.00	Cords	\$	8.30 / Cord	\$	/ Cord
In addition	n, the successful bidde	er agrees to purchase	the following s	pecies at th	e indicated advertis	ed price for a tota	al value of \$533.45 :
	TS & SPECIES	<u>ESTIMATE</u>	O UNITS*	ADV	ERTISED PRICE		
Pulpwood Beed White			Cords Cords	\$ \$	9.95 / Cord 10.60 / Cord		
	ıl volume is statistically ve bidders are urged to	•	` '				nd not subject to adjustmen
understar		nd awarding a contrac					m may be rejected. I also ete the contract based upo
	FEDERAL ID:		or SOCIAL SE	CURITY N	JMBER:		
	Company or individua	al bidding:					
	Company representa	tive's name:					
	Address:						
	City:						
IF AVAIL	ABLE, PLEASE PLAC	E THE PERSONALIZ	ED LABEL FR	OM YOUR I	PROSPECTUS IN T	THE ABOVE BOX	 (.
Individual	or company represent	tative's signature:				Date:	
Phone nu	mber :		Ema	il (optional):			



Title

Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY **COMPENSATION ACT COMPLIANCE**

FOR DEPARTMENT USE ONLY					
Sale Number (XX – XXX – XX – XX)					
Forest Management Unit:					

As required by Act 317, P.A. 1969 (Worker Part 525 of Act 451 of 1994, as							
VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE							
This verification must be completed and su sale contract.	This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.						
In addition, if boxes 2B or 2C are checked, days of the contract award and prior to the			te of Insurance must be submitted within 21				
All Information must be typed or printed ex	cept for written si	gnatures.					
Please Check Appropriate Categories:							
 My business is organized as (you must of A. Sole Proprietorship (individual) B. Partnership C. Corporation 	A. Sole Proprietorship (individual) B. Partnership						
 You must check one of the boxes below: A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws. B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195). C. I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award. 							
 If you have checked item 2(A) or 2(B), you than yourself, including family members a 			h full-time and part-time employees, other ust enter "0").				
Full-time EmployeesPart-time Employees							
ame of Business		Federal ID (or) Social	Security No.				
ddress		Telephone (
ity	State	ZIP					
hereby certify that the above information is true and correct. I agree to notify the Michigan DNRE of any changes that occur in factors affecting my coverage during any of my present and future operations. Signature of Owner or Authorized Representative							

Date