

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #5007

SCHEDULED SALE DATE AND TIME: 9:00 a.m. (local time) on November 13, 2013. LOCATION: BARAGA MGMT UNIT, 427 US 41 NORTH, BARAGA, MI 49908.

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, BARAGA MANAGEMENT UNIT, for certain timber on the following described lands:

HORNET HILLS (11-020-13-01) / T52N, R35W, SEC. 28, S1/2S1/2.

T52N, R35W, SEC. 29, SESE.

T52N, R35W, SEC. 33, N1/2, N1/2S1/12.

T52N, R35W, SEC. 34, NWSW.

Houghton County, Advertised Price \$202,272.80, 428.0 Acres

SALE NOTE: Reference sale spec 5.2.41 about snowmobile trail protection. No operations are allowed to use the Alston Trail 109, December 1st through March 31st.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

BID INSTRUCTIONS (VER. 06/06/2013):

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

Bids must be received by the Unit Manager, BARAGA OFFICE, 427 US 41 NORTH, BARAGA, MI 49908, no later than 9:00 a.m. (local time) on November 13, 2013. For further information concerning this sale, contact Don Mankee at 906-353-6651.

2. Bidder's Qualifications (2/12)

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/FRD 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 (6/13)

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

If a bidder, present at a bid opening, has submitted bids on more than one sale, that bidder may withdraw their unopened bid envelopes after being declared the successful bidder on one sale.

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 (10/12)

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/timber. 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 (3/13)

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 100% 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.

KEITH CREAGH Director

TIMBER SALE INFORMATION

HORNET HILLS (11-020-13-01)

T52N, R35W, SEC. 28; T52N, R35W, SEC. 29; T52N, R35W, SEC. 33; T52N, R35W, SEC. 34.

SALE NOTE: Reference sale spec 5.2.41 about snowmobile trail protection. No operations are allowed to use the Alston Trail 109, December 1st through March 31st.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or 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>AD\</u>	/ERTISED PRICE
Sawlogs			
Red Maple	52.00 MBF	\$	219.00 / MBF
Sugar Maple	248.50 MBF	\$	539.00 / MBF
Pulpwood			
Mixed Hardwood	2,633.00 Cords	\$	16.70 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$12,972.20:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>AD\</u>	/ERTISED PRICE
Sawlogs			
Basswood	50.60 MBF	\$	70.00 / MBF
Black Ash	4.40 MBF	\$	70.00 / MBF
Paper Birch	0.30 MBF	\$	175.00 / MBF
Red Oak	0.40 MBF	\$	181.00 / MBF
W. Spruce	1.30 MBF	\$	35.00 / MBF
White Ash	16.90 MBF	\$	70.00 / MBF
Yellow Birch	21.90 MBF	\$	166.00 / MBF
Pulpwood			
Mixed Softwood	19.00 Cords	\$	11.60 / Cord
Q. Aspen	215.00 Cords	\$	18.20 / 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 \$20,000.00 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 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	6%
02	7%
03	18%
04	5%
05	7%
06	11%
07	4%
08	9%
09	16%
10	5%
11	6%
12	6%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2017.

Sale Specific Conditions & Requirements

Sale Name: Hornet Hills Sale Number: 11-020-13-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (10/12)

The sale boundary and Payment Unit boundaries are marked and identified by blue and red. The exterior painted boundary line trees are not Included Timber and are to be protected. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with red paint. Red painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid and also marked with orange paint.

2 - Timber Specifications

2.1 - Included Timber

2.1.3 - Cut tree marked unit(s) (12/08)

Within Payment Unit(s) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. All trees shall be pulled back across any red or blue lines.

2.2 - Utilization

2.2.1 - Utilization (2/04)

All listed board foot volumes of sawlog size products in this contract have been determined using a top diameter inside bark of 8 inches.

2.2.4 - Skidding length (2/11)

Skidding of unlimbed tops or skidding of tree lengths greater than 26 feet is not permissible in the entire sale.

2.2.7 - Uncut designated trees (2/04)

Liquidated damages of \$10.00 per tree will be assessed for every marked tree not cut.

2.2.8 - Utilization and removal (12/12)

All products meeting standards set forth in 2.2 Utilization must be removed from the sale area. This is because residual chip and pulp piles inhibit regeneration.

3 - Payments

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. In addition, extreme care should be taken to avoid damage to tree seedlings and saplings. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

No damage is acceptable to merchantable trees. Within the sale area, if more than 5 % of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

4 - Transportation

4.1 - Construction

4.1.1 - Stream crossings, general (3/11)

All stream crossing structures will be temporary and therefore, shall be provided by the Purchaser, and must be removed upon completion of the sale. All permits for stream crossings will be provided by the DNR for crossing sites on State land.

4.1.3 - Slash and earthen piles (8/04)

Piles or windrows of earth along roads and landings that have been widened or constructed shall be leveled. Slash from road maintenance or construction, including stumps, shall be dispersed throughout the sale.

4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge, and may be chipped, utilized or otherwise removed from the sale. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

4.1.7 - Road closure (10/11)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. Overgrown roads that are reopened shall be considered new roads. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. Contact the sale administrator for specific details of design and placement.

4.2 - Maintenance

4.2.2 - Fill material (4/07)

To maintain roads, fill material may be needed in areas where "holes" exist or may be expected to develop. This fill material should be placed before trucking begins. The sale administator reserves the right to halt harvest activities if haul roads are not properly filled and shaped to his/her specifications.

4.2.4 - Grading (12/08)

Roads must be graded after the sale is completed. In general, this will require a road grader or bull dozer to shape 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.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference on site, in the office or over the phonebetween the Purchaser and sale administrator is required prior to beginning any operations. The Unit Manager or his/her representative must be contacted at least 10 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

5.2.1 - Slash

5.2.1.2 - Slash Removal

5.2.1.2.1 - Slash removal, right-of-way (12/04)

All slash must be removed at least 10 feet from the cleared right-of-way of forest roads.

5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 36 inches in height.

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area shall be left with slash evenly distributed. Bunched tops within the cutting area shall be broken up and scattered. Stumps shall be cut low to the ground. Processing sites shall not be left with a compacted layer of slash; tops from these sites shall be hauled back into the cut area and scattered.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1-12, unless changed by written agreement, cutting, skidding, and hauling are limited to the period of July 15 to March 31. This restriction is due to bark slip and spring break up.

5.2.3.2 - Operating restrictions (9/11)

Within Payment Unit(s) 1-12, unless changed by written agreement, all clean up activities are to be completed by June 30 of the year following completion of the active harvest units. This restriction is to let the area revegetate before the dry season.

5.2.30 - Landing/road top soil protection (1/12)

Top soil on landings and new roads must be removed, stockpiled and saved. Upon completion of the timber sale, soil must be evenly distributed back over the area for revegetation. In addition, the area must be seeded and mulched per instructions of the sale administrator.

5.2.32 - Decking/landing restoration (9/11)

All decking and landing areas must have the surface area restored to a condition equal to or better than before. This is to ensure the proper regeneration of the stand.

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

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

5.2.41 - Snowmobile trail protection (9/11)

The Alston Trail road is a snowmobile trail (Trail 109) and is shown on the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. The road maintenance/restoration must be done prior to December 1. No decking of forest products will be permitted along the snowmobile trail. No use of the Alston Trail road, Trail 109 will be permitted December 1 through March 31.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

5.4.3 - Erosion control (12/08)

Skid trails or haul roads may require erosion control structures or berms per direction of the Unit Manager or his/her representative.

Section Name: Sale Specific Current as of 10/18/2013 8:56:15AM



Michigan Department of Natural Resources - Forest Resources Division

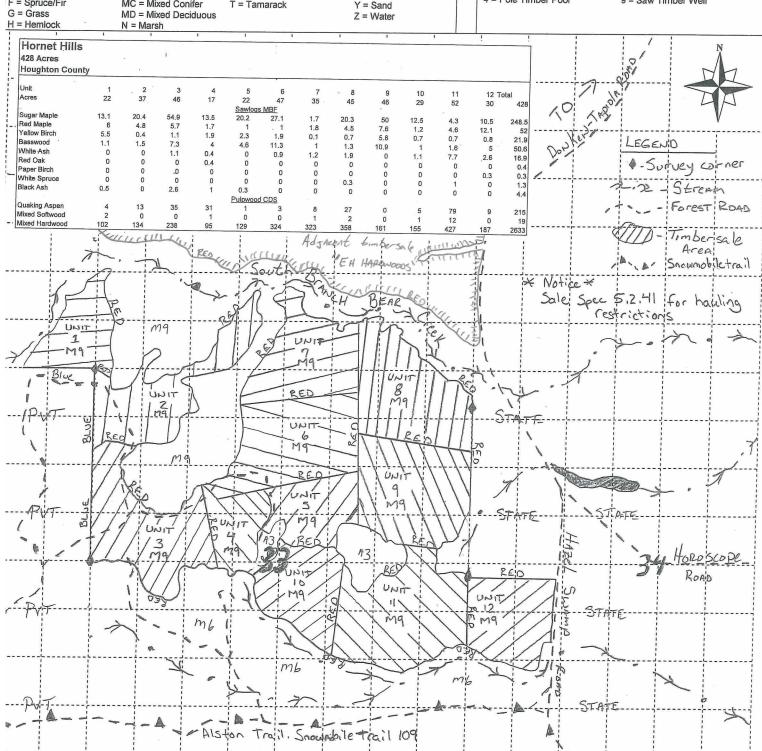
TIMBER SALE MAP

Sale Number Year 2013 11-020

Scale: |...4 inches......| = 1 mile

This information provided by authority of Part 525, 1994 PA 451, as amended. Forest Management Unit County Date Mapped By Carlson Page of Baraga Houghton Cruised By Cedar Ridge Forestry 4/10/2013 1 Township Range Section(s) and Subdivision(s)

52N	35W S28	-S1/2S1/2; S29-SESE	; S33-N1/2,N1/2S	1/2; S34-NWSW	Scale:	4 inches = 1 mile
经验	over Type	SHIP AND AND A	D	ensity		
A = Aspen B = Paper Birch C = Cedar D = Treed Bog E = Swamp Hardwood: F = Spruce/Fir G = Grass H = Hemlock	J = Jack Pine K = Rock L = Lowland Brush LM = Lowland Mix Fols M = Maple, Beech, Bils MC = Mixed Conifer MD = Mixed Deciduou N = Marsh	rch S = Black Spruce T = Tamarack	U = Upland Brush UM =Upland Mix Forest V = Bog or Marsh W = White Pine X = Non Stocked Y = Sand Z = Water	0 = Non Stocked 1 = Seedling Sapling 2 = Seedling Sapling 3 = Seedling Sapling 4 = Pole Timber Pool	Medium Well	5 = Pole Timber Medium 6 = Pole Timber Well 7 = Saw Timber Poor 8 = Saw Timber Medium 9 = Saw Timber Well



White Ash

Q. Aspen

Pulpwood

Yellow Birch

Mixed Softwood

BID FORM

HORNET HILLS (11-020-13-01)

T52N, R35W, SEC. 28; T52N, R35W, SEC. 29; T52N, R35W, SEC. 33; T52N, R35W, SEC. 34, Houghton County

In response to the notice of sale to be held 9:00 a.m. (local time) on November 13, 2013, 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.

be rejected.						
PRODUCTS & SPECIES	ESTIMATE	D UNITS*	ADV	ERTISED PRICE	BID PRICE	
Sawlogs						
Red Maple	52.00	MBF	\$	219.00 / MBF	\$	/ MBF
Sugar Maple	248.50	MBF	\$	539.00 / MBF	\$	/ MBF
Pulpwood						
Mixed Hardwood	2,633.00	Cords	\$	16.70 / Cord	\$	/ Cord
In addition, the successful bidder agrees	s to purchase	the following specie	s at th	ne indicated advertised pr	ice for a total val	ue of \$12,972.20 :
PRODUCTS & SPECIES	ESTIMATE	D UNITS*	ADV	ERTISED PRICE		
Sawlogs						
Basswood	50.60	MBF	\$	70.00 / MBF		
Black Ash	4.40	MBF	\$	70.00 / MBF		
Paper Birch	0.30	MBF	\$	175.00 / MBF		
Red Oak	0.40	MBF	\$	181.00 / MBF		
W. Spruce	1.30	MBF	\$	35.00 / MBF		

16.90 MBF

21.90 MBF

19.00 Cords

215.00 Cords

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

\$

70.00 / MBF

11.60 / Cord

18.20 / Cord

166.00 / MBF

	FEDERAL ID: or SOCIAL SECURITY NUMBER:					
	Company or individual bidding:					
	Company representative's name:					
	Address:					
	City:	State:	Zip:			
F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.						
ndividual	ndividual or company representative's signature: Date:					
Phone nu	Phone number : Email (optional):					

^{*} 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.



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 DISABILITY COMPENSATION ACT COMPLIANCE

- This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber
- 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 	All Information must be typed or printed except for written signatures.					
Ple	Please Check Appropriate Categories:						
1.	My business is organized as (you must check <u>one</u> of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation						
2.	 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. 						
3.	 If you have checked item 2(A) or 2(B), you must indicate the num than yourself, including family members and active partners (if norFull-time Employees 						
Nam	Name of Business Federal II	O (or) Social Security No.					
Addr	Address Telephon (Telephone ()					
City	City State ZIP						
000	I hereby certify that the above information is true and correct. I agree occur in factors affecting my coverage during any of my present and formation. Signature of Owner or Authorized Representative						
T	Title	Date					