

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #5197

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on September 9, 2014. LOCATION: ESCANABA OFFICE, 6833 HWY 2, 41 & M-35, GLADSTONE, MI 49837.

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

MOSQUITO PARADISE (33-027-13-01) / T35N, R28W, SEC. 31, NWSE, NESE, SWSE, SESE.

T35N, R28W, SEC. 31, SENW, NWSW, NESW, SWSW, SWNE, SENE.

T35N, R28W, SEC. 32, SENW, NWSW, NESW.

Menominee County, Advertised Price \$125,066.55, 251.4 Acres

SALE NOTE: Unit 2 needs to be cut, skid, and all oak hauled off-site by April 15, 2015; due to oak wilt. There are more suspected oak wilt pockets within the sale, if these are treated, contract specs could change. The eastern larch beetle has killed a couple of pockets of tamarack in the lowland stands, these areas should be harvested soon to limit loss. Two culverts need to be installed by the contractor along with 220 yards of gravel that needs to be hauled and spread.

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. 06/06/2013):

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

Bids must be received by the Unit Manager, ESCANABA OFFICE, 6833 HWY 2, 41 & M-35, GLADSTONE, MI 49837, no later than 3:00 p.m. (local time) on September 9, 2014. For further information concerning this sale, contact Eric Thompson at 906-786-2354 extension 142.

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

MOSQUITO PARADISE (33-027-13-01) T35N, R28W, SEC. 31; T35N, R28W, SEC. 32.

Menominee County (Advertised Price \$125,066.55)

SALE NOTE: Unit 2 needs to be cut, skid, and all oak hauled off-site by April 15, 2015; due to oak wilt. There are more suspected oak wilt pockets within the sale, if these are treated, contract specs could change. The eastern larch beetle has killed a couple of pockets of tamarack in the lowland stands, these areas should be harvested soon to limit loss. Two culverts need to be installed by the contractor along with 220 yards of gravel that needs to be hauled and spread.

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
Pulpwood			
Black Spruce	583.00 Cords	\$	32.10 / Cord
Mixed Hardwood	930.00 Cords	\$	32.80 / Cord
Mixed Oak	384.00 Cords	\$	22.85 / Cord
Mixed Softwood	361.00 Cords	\$	38.25 / Cord
Q. Aspen	576.00 Cords	\$	36.60 / Cord
Tamarack	755.00 Cords	\$	20.00 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$17,084.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADVERTISED PRICE	
Sawlogs			
Mixed Oak	26.00 MBF	\$	112.00 / MBF
Red Pine	22.60 MBF	\$	158.00 / MBF
White Pine	59.60 MBF	\$	102.00 / MBF
Pulpwood			
N. W. Cedar	119.00 Cords	\$	38.00 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 7.58 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 **\$8,000.00** 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	2%
02	4%
03	6%
04	3%
05	3%
06	11%
07	9%
08	9%
09	9%
10	6%
11	9%
12	6%
13	8%
14	5%
15	10%

- 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: Mosquito Paradise Sale Number: 33-027-13-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (1/14)

The sale boundary and Payment Unit boundaries are marked and identified by blue, red and/or yellow paint. 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 yellow paint. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid for.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 14 and 15, cut all trees that are three (3) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability.

Exceptions: In unit 14 do not cut oak and cherry and in unit 15 do not cut oak and cedar.

2.1.2 - Clearcut unit(s) w/o unmerchantable trees (8/11)

Within Payment Unit(s) 1 and 2, cut all trees which meet minimum piece specifications in 2.2 Utilization; do not cut trees marked with green paint.

2.1.7 - Leave tree marked unit(s) (8/11)

Within Payment Unit(s) 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, cut all trees that are three (3) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability; except trees marked with green paint above and below stump height.

In addition, in units 3, 6, and 7; do not cut white oak, red pine, white pine, and beech. In addition, in units 5, 8, 9, 10, and 11; do not cut cedar.

2.1.9 - Harvest exception (12/08)

Do not cut any cedar trees in units 5, 8, 9, 10, and 11; other than those that are necessary to remove in order to operate within the sale area. Every effort must be made to preserve the existing cedar and to leave an intact stand upon sale completion. All cut cedar shall be piled separately by products and scaled in the woods unless other scaling arrangements are agreed to by the Unit Manager or his/her representative. Stumpage price for cedar shall be \$54.00 per cord for posts and pulpwood, and \$140.00 per cord for bolts and sawlogs.

2.1.11 - Description of timber note (2/04)

Note that the mixed softwood volume contains about 236 cords of balsam fir, 95 cords of white pine, 22 cords of jack pine, and 8 cords of red pine. The mixed oak volumes contain primarily pin oak, with some red and white also included. There is a small amount of balm within the aspen volume.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment Unit(s) \$18,000 in value or greater may be divided at the request of the Purchaser and upon approval of the Unit Manager. Dividing Payment Units is a contract modification which requires a Timber Sale Contract Supplement.

4 - Transportation

4.1 - Construction

4.1.8 - Road work (1) (8/07)

The following road work is required: the purchaser must purchase and install two new 12 inch by 24 foot corrugated steel culverts. The culvert locations are shown on the timber sale map. The culverts must have a minimum of twelve inches of gravel placed over them. These culverts are needed to improve cross drainage, so no permits are necessary. The purchaser is also required to haul and spread 220 cubic yards of pit run gravel on the access roads. The gravel will be placed over the culverts and on different portions of the Small Creek Road. The exact locations will be determined during the pre-sale

meeting. The pit run gravel is available from state land near unit 10. All of the required road work must be completed prior to units 9 through 15 being harvested.

4.2 - Maintenance

4.2.1 - Hauling restriction (12/08)

Hauling may be restricted on forest roads by the Unit Manager or his/her representative. The restriction may occur during spring breakup or during other wet weather conditions.

4.2.4 - Grading (10/13)

For completion of the sale, state forest roads must be graded. 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.

4.4 - Access

4.4.4 - Restricted access (10/05)

The Small Creek Road will be the only access road that contractors may use to access the southern and eastern portions of the sale. All other access points/roads through the surrounding private property will be bermed in the near future and will not be available for contractor use.

All of the roads near Muskrat Lake are avilable for access to the northern portions of the sale. The gate is locked on the west end of the Small Creek Road, if a contractor is interested in accessing the southern portion of the sale with a vehicle to do a pre-bid inspection they may contact Dustin @ 906-753-6317 ext 224 to obtain a key and written permission.

5 - Operations

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the blue paint line.

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 50 feet from the cleared right-of-way of the Sturgeon Landing Road.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 2 cutting and skidding must be completed by April 15, 2015. This restriction is because of known oak wilt pockets within the unit. In addition all oak must be hauled off site to an approved processing facility or where there is no oak within one mile by April 15, 2015 to reduce the spread of oak wilt disease.

5.2.3.2 - Operating restrictions (9/11)

Within Payment Unit(s) 4, 5, 8, 9, 10, 11, 12, and 13 cutting and skidding are limited to the period of December 1st to March 31st, unless there is a dry period of time and the sale administrator allows cutting during a different time period. This restriction is because of low wet ground throughout all of these units.

5.2.3.4 - Oak wilt restriction (6/10)

Within Payment Unit(s) 1, 2, 7, and 15 cutting and skidding are not permitted during the period of April 15 to July 15. All oak harvested within units 1, 2, and 7 must be hauled off site by April 15th each year. This is necessary to reduce the spread of oak wilt. For more information, contact the Unit Manager or his/her representative.

5.2.22 - Operating Caution

5.2.22.1 - Operating caution (6/11)

It is recommended, but not required, that within Payment Unit(s) 14, cutting and skidding occur during dry summer or frozen winter conditions. The reason for the recommendation is because of low wet ground in parts of the stand.

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.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (9/09)

The Purchaser is responsible for posting and maintaining caution signs on the Sturgeon Landing Road prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs. The signs are only needed on the Sturgeon Landing Road when operations are occurring in units 1 - 3.

7 - Other Conditions

7.3 - Contract Modifications

7.3.2 - Modification for oak wilt (2/05)

Within the sale area, there may be patches of oak wilt. If oak wilt is identified within the sale area, this contract may be modified. The following modifications could occur: time of cutting, species to cut, volume to harvest, or various others dealing with the treatment of oak wilt. If a species is not specified in this contract, it shall be paid for at the average price received for that species and product.

7.5 - Loss

7.5.1 - Deteriorating timber (7/09)

The sale area has received damage from oak wilt and the eastern larch beetle. Unit 2 has a number of oak wilt epi-centers within it and there are other suspected epi-centers throughout the other units. There are also some pockets of tamarack mortality in the swamp units, due to the eastern larch beetle. The Purchaser should harvest the wood as soon as possible. The Department of Natural Resources is held free of responsibility of any further damage or deterioration due to delay in harvesting.

Section Name: Sale Specific Current as of 7/7/2014 12:45:35PM

DNR

Michigan Department of Natural Resources - Forest Resources Division

TIMBER SALE MAP

This information provided by authority of Part 525, 1994 PA 451, as amended.

Sale Number 33 - 027 Year 13

Forest Management Unit County Mapped By Salter Date Page of Escanaba Menominee Cruised By Salter, Durbin 06/13/2014 1 1

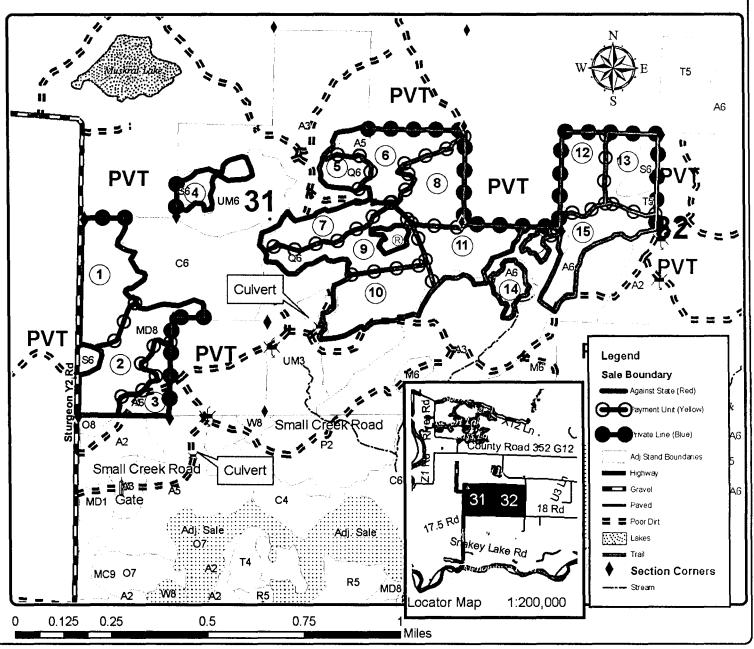
Township Range Section(s) and Subdivision(s) Scale

Township Range Section(s) and Subdivision(s) Scale SSN 28W S31, S1/2NE, SENW, SE1/4, N1/2SW, SWSW; S32, SENW, N1/2SW

1:15,840

	Cover Type		Density		
A = Aspen B = Paper Birch C = Cedar D = Treed Bog E = Swamp Hdwoods F = Spruce Fir G = Grass	H = Hemlock J = Jack Pine L = Lowland Brush LM = Lowland Mixed M = Mpl, Bch, Brch MC = Mixed Conifer MD = Mixed Decidious	N = Marsh O = Oak P = Lowland Poplar Q = Mixed Swamp Conifer R = Red Pine S = Black Spruce T = Tamarack	U = Upland Brush UM = Upland Mixed V = Bog or Marsh W = White Pine X = Non Stocked Z = Water	0 = Non Stocked 1 = Seedling Sapling Poor 2 = Seedling Sapling Medium 3 = Seedling Sapling Well 4 = Pole Timber Poor	5 = Pole Timber Medium 6 = Pole Timber Well 7 = Saw Timber Poor 8 = Saw Timber Medium 9 = Saw Timber Well

PU PU PU PU **Acres Acres** Acres Acres <u>Acres</u> **Compartment 025** 26.1 4 7.5 7 13.9 10 22.7 13 17.3 **251.4 Acres** 1 2 26.5 6.3 19.1 11 21.0 5.3 8 14 19.0 9.4 21.7 23.3 15.2 15 12



BID FORM

ESCANABA MANAGEMENT UNIT ESCANABA OFFICE

MOSQUITO PARADISE (33-027-13-01) T35N, R28W, SEC. 31; T35N, R28W, SEC. 32, Menominee County

In response to the notice of sale to be held 3:00 p.m. (local time) on September 9, 2014, 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.

PRODUCTS & SPECIES	ESTIMATE	D UNITS*	ADV	/ERTISED PRICE	BID P	RICE
Pulpwood						
Black Spruce	583.00	Cords	\$	32.10 / Cord	\$	/ Cord
Mixed Hardwood	930.00	Cords	\$	32.80 / Cord	\$	/ Cord
Mixed Oak	384.00	Cords	\$	22.85 / Cord	\$	/ Cord
Mixed Softwood	361.00	Cords	\$	38.25 / Cord	\$	/ Cord
Q. Aspen	576.00	Cords	\$	36.60 / Cord	\$	/ Cord
Tamarack	755.00	Cords	\$	20.00 / Cord	\$	/ Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$17,084.00:

ESTIMATED UNITS*		ADV	ADVERTISED PRICE		
26.00 N	/IBF	\$	112.00 / MBF		
22.60 N	ИBF	\$	158.00 / MBF		
59.60 N	/IBF	\$	102.00 / MBF		
119.00 C	Cords	\$	38.00 / Cord		
	26.00 N 22.60 N 59.60 N	26.00 MBF	26.00 MBF \$ 22.60 MBF \$ 59.60 MBF \$		

^{*} The total volume is statistically estimated within plus (+) or minus (-) 7.58 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.

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.

	FEDERAL ID: or SOCIAL SECURITY NUMBER:				
	Company or individual bidding:				
	Company representative's name:				
	Address:				
	City:	State:	Zip:	-	
ا F AVAIL	ABLE, PLEASE PLACE THE PERSO	NALIZED LABEL FROM	YOUR PROSPECTUS IN	THE ABOVE BOX.	
ndividual	ual or company representative's signature: Date:				
hone nu	mber:	Email (d	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 Heit	
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 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	Please Check Appropriate Categories:	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 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 number of both full-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").					
	Full-time Employees	_Part-time Employees				
Nam	Name of Business Federal ID (or) Social Security No.					
Add	Address Telephone ()					
City	City State ZIP					
) 	hereby certify that the above information is true and correct. I agree to notify the Michigan Boccur in factors affecting my coverage during any of my present and future operations. Signature of Owner or Authorized Representative	DNRE of any changes that				
7	Title Date					