

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #5259

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on November 20, 2014. LOCATION: CRYSTAL FALLS MGT UNIT, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920.

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

BIG STUMP SALVAGE (12-015-14-01) / T41N, R28W, SEC. 05, W1/2NW.

T41N, R28W, SEC. 05, W1/2SW. T41N, R28W, SEC. 06, E1/2NE. T41N, R28W, SEC. 06, E1/2SE.

Dickinson County, Advertised Price \$49,270.45, 89.0 Acres

SALE NOTE: The best access for this sale is through private ownership. Creating a new road for access is an option. Be advised; many physical challenges of rock and water exist. Should purchaser choose private route, a copy of written permission from landowner is required within 21 days of bid opening. If new road construction option is chosen, proposed haul route must be flagged within 21 days of bid opening. These deadlines are due to the timing sensitivity of salvage harvest. Purchaser is responsible for all stream crossing permits if needed. Unit #4 is a salvage of Spruce and Fir only due to Spruce Budworm outbreak and must be harvested before Units 1-3. All products from Unit #4 will be piled along the "Salvage portion of road" and the volumes then scaled. One, 12-month extension can be applied to another State Forest Timber Sale Contract owned by purchaser to expedite salvage operations.

Access may be through private land.

BID INSTRUCTIONS (VER. 10/01/2014):

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

Bids must be received by the Unit Manager, CRYSTAL FALLS OFFICE, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920, no later than 3:00 p.m. (local time) on November 20, 2014. For further information concerning this sale, contact Ben Wiese at 906-875-6622.

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 (9/14)

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 expiration 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 (10/14)

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-SF5. 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

BIG STUMP SALVAGE (12-015-14-01)

T41N, R28W, SEC. 05; T41N, R28W, SEC. 06.

Dickinson County (Advertised Price \$49,270.45)

SALE NOTE: The best access for this sale is through private ownership. Creating a new road for access is an option. Be advised; many physical challenges of rock and water exist. Should purchaser choose private route, a copy of written permission from landowner is required within 21 days of bid opening. If new road construction option is chosen, proposed haul route must be flagged within 21 days of bid opening. These deadlines are due to the timing sensitivity of salvage harvest. Purchaser is responsible for all stream crossing permits if needed. Unit #4 is a salvage of Spruce and Fir only due to Spruce Budworm outbreak and must be harvested before Units 1-3. All products from Unit #4 will be piled along the "Salvage portion of road" and the volumes then scaled. One, 12-month extension can be applied to another State Forest Timber Sale Contract owned by purchaser to expedite salvage operations.

Access may be through private land.

A timber sale contract for this scaled, 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*	AD\	/ERTISED PRICE
Sawlogs			
Sugar Maple	12.80 MBF	\$	549.00 / MBF
Pulpwood			
Misc. Sp.	195.00 Cords	\$	5.00 / Cord
Mixed Aspen	896.00 Cords	\$	23.75 / Cord
Mixed Hardwood	544.00 Cords	\$	21.55 / Cord
Mixed Softwood	199.00 Cords	\$	25.95 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$3,101.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*		ADVERTISED PRICE	
Sawlogs				
Mixed Hardwood	11.60 MBF	\$	76.00 / MBF	
Red Pine	12.60 MBF	\$	111.00 / MBF	
White Pine	11.40 MBF	\$	72.00 / MBF	

^{*} The total volume is statistically estimated within plus (+) or minus (-) 11.04 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 **\$2,500.00** 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 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:

CENT OF TOTAL SALE VALUE
40%
45%
15%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2016.

Sale Specific Conditions & Requirements

Sale Name: Big Stump Salvage Sale Number: 12-015-14-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (1/14)

Within Payment Unit #'s 1-3, boundaries are marked and identified by BLUE and RED paint. Exterior sale boundary lines against state are marked with RED paint. Interior Payment Unit boundaries are marked with BLUE paint. The painted boundary line trees are not Included Timber and are to be protected. BLUE painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid. Payment Unit #4 has no painted boundary.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (6/14)

Within Payment Unit(s) #'s 1-3, cut all trees that are two (2) inches or more at DBH except Cedar or Hemlock. In addition, leave all Pine greater than or equal to 20" in diameter at the stump (measured at a point 12" above the ground).

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

Within Payment Unit(s) #4, only live or dead standing Spruce and Fir are designated for cutting along the entrance road to the sale. This Unit must be cut before Payment Units 1 - 3. Cut all Spruce and Fir between the road and the streams and rivers. No harvesting is allowed within 100 feet of the intermittent and perennial streams or rivers. It is the responsibility of the purchaser to maintain this distance. Failure to comply with this sale condition may result in termination of contract. All wood from Unit 4 will be scaled by Unit Manager or his/her representative. Spruce and Fir will be billed at the Miscellaneous Wood contract price. Trees needed for operability will be billed at contract prices.

2.1.11 - Description of timber note (2/04)

Note that Mixed Hardwood Logs include Red Maple and Birch. Mixed Aspen includes Quaking and Big Tooth. Mixed Hardwood pulp includes Maple, Birch, Ash, BAM, Cherry, Elm, Ironwood, and an estimated 4 cords of Basswood. Miscellaneous wood includes standing dead Spruce and Fir. Mixed Softwood includes living Spruce, Fir, and an estimated 15 cords of Red Pine, 67 cords of White Pine.

3 - Payments

3.2 - Scaled Sales

3.2.1 - Scale location (2/04)

Forest products will be placed for measurement along the salvage portion of road.

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 purchaser.

4.1.4 - Timber removed for construction (12/09)

Trees cut or damaged in the process of pre-approved road, landing or skid trail construction will be decked in an area separate from other Designated Timber and not removed until measured by the sale administrator. Payment will be made at the specified Purchase Unit Price. BE ADVISED: The opportunity to create a new road to access sale is present. However, physical barriers of rock and water will make this a challenge.

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. 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. These roads must be rendered impassable to cars and trucks.

4.1.11 - Permits (2/12)

The Purchaser will secure any necessary stream crossing permits that may be required.

4.2 - Maintenance

4.2.5 - Two wheel drive condition (2/04)

All existing trail roads on and adjacent to the sale area must be passable by two-wheel drive traffic for the duration of the sale.

4.4 - Access

4.4.1 - Private property access (3/11)

Permission for access across private land is the responsibility of the Purchaser. Should the purchaser choose to access across private land, a copy of written permission from the private landowner must be given to the Unit Manager within 21 days of the bid opening and prior to the beginning of operations. This is due to the timing sensitivity of the salvage harvest.

4.4.4 - Restricted access (10/05)

The best access for this sale is through private ownership. Creating a new road for access is an option. Be advised many physical challenges of rock and water exist. Should the purchaser decide to construct a new road, the proposed haul route will be flagged by the purchaser then approved by the Unit Manager representative within 21 days of bid opening. This deadline is due to the timing sensitivity of the salvage harvest.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 10 days in advance to schedule the conference.

5.2 - Conduct of Operations

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

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.

5.4.6 - Wet area protection (5/10)

No harvesting operations, including skidding and felling, are to take place within the vernal pond area (identified as exclusion on Timber Sale map). When harvesting occurs, there should be no disturbance to the vernal pond depression. All equipment, trees and tops should be kept out of this area. Within 100 feet of the pond, equipment should only be used when the soil is in a dry or frozen condition. Care must be taken by the Purchaser to identify and avoid operating in these areas of the timber sale.

7 - Other Conditions

7.2 - Extensions

7.2.6 - Forest health extension (6/13)

This sale contains trees damaged by Spruce Budworm. It is considered at high risk for mortality and/or loss of timber value.

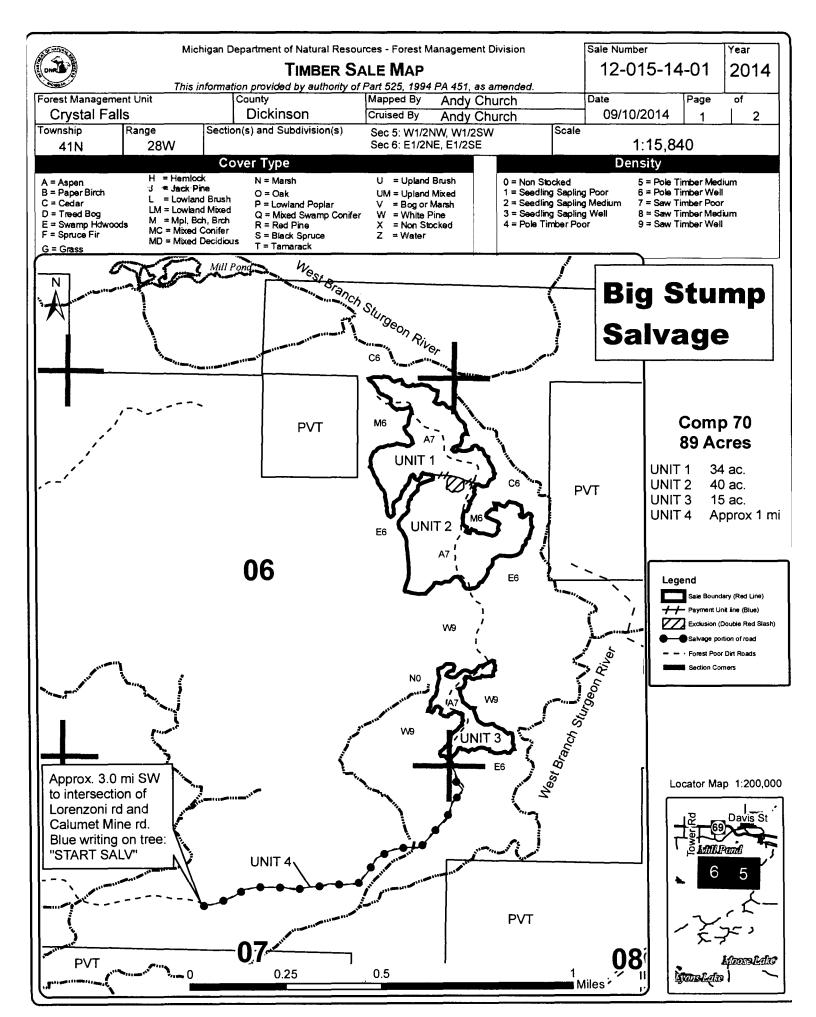
The sale must be harvested promptly. One (1), twelve (12) month extension can be applied to one (1) other State Forest Timber Sale Contract owned by the purchaser or owned by one (1) designated sub-contractor of the Purchaser that works this contract. To qualify, the contract expiration date of the contract to be extended must be within twelve (12) months from the issue date of this contract. If this is the first extension on the other State Forest Timber Sale Contract, then the 5% extension fee will be waived. If this is an additional extension, the 10% fee will be reduced to 5%. The forest health extension must be used before this contract is closed-out. This specification does not alleviate the purchaser from any contractual obligations of the extended State Forest Timber Sale Contract. Per General Condition & Requirement 7.2, extensions are at the sole discretion of the DNR.

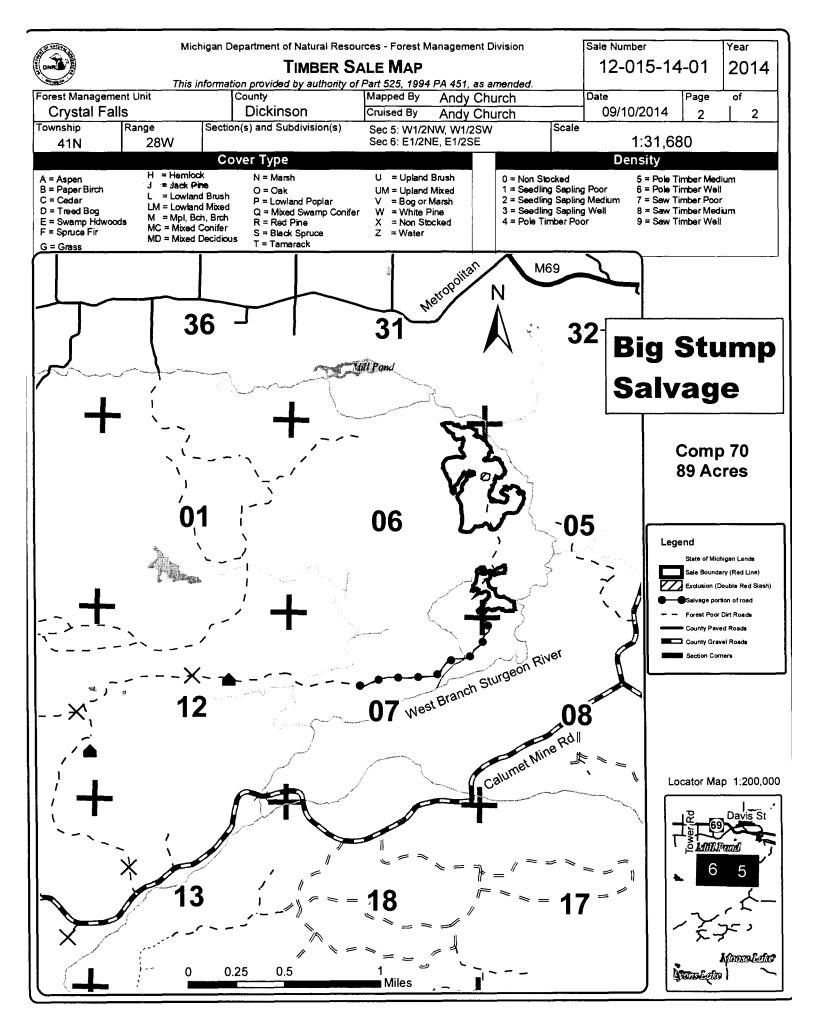
7.5 - Loss

7.5.1 - Deteriorating timber (7/09)

The sale area has received damage from Spruce Budworm. 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 9/23/2014 9:06:51AM





TIMBER SALE / SEALED BID STATE OF MICHIGAN / DNR

BID FORM

BIG STUMP SALVAGE (12-015-14-01) T41N, R28W, SEC. 05; T41N, R28W, SEC. 06, Dickinson County

In response to the notice of sale to be held 3:00 p.m. (local time) on November 20, 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	ESTIMATED UNITS*	ADVERTISED PRICE	BID PRICE
Sawlogs			
Sugar Maple	12.80 MBF	\$ 549.00 / MBF	\$ / MBF
Pulpwood			
Misc. Sp.	195.00 Cords	\$ 5.00 / Cord	\$ / Cord
Mixed Aspen	896.00 Cords	\$ 23.75 / Cord	\$ / Cord
Mixed Hardwood	544.00 Cords	\$ 21.55 / Cord	\$ / Cord
Mixed Softwood	199.00 Cords	\$ 25.95 / Cord	\$ / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$3,101.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADVERTISED PRICE
Sawlogs		
Mixed Hardwood	11.60 MBF	\$ 76.00 / MBF
Red Pine	12.60 MBF	\$ 111.00 / MBF
White Pine	11.40 MBF	\$ 72.00 / MBF

^{*} The total volume is statistically estimated within plus (+) or minus (-) 11.04 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 SECU	JRITY 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.				
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 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 		
Please Check Appropriate Categories:			
1.	 My business is organized as (you must check one of the boxes be A. Sole Proprietorship (individual) Partnership C. Corporation 	elow):	
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 (e)	
City	City 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			
T	Title	Date	