

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #5433

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on September 14, 2015. LOCATION: GWINN MGMT UNIT, 410 WEST M-35, GWINN, MI 49841.

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

REMINGTON ROAD MIX (32-117-14-01) / T50N, R27W, SEC. 02, SWNE,W1/2SE. T50N, R27W, SEC. 11, W1/2NE.

Marquette County, Advertised Price \$25,018.35, 33.0 Acres

SALE NOTE: Sale contains wet ground. Cutting only allowed from December 1st to March 31st, see spec. 5.2.3.2. Contact Longyear LLC to obtain access to Unit 1.

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 other public land.

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

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

Bids must be received by the Unit Manager, GWINN OFFICE, 410 WEST M-35, GWINN, MI 49841, no later than 3:00 p.m. (local time) on September 14, 2015. For further information concerning this sale, contact Tom Seablom at 906-346-9201 extension 23.

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

REMINGTON ROAD MIX (32-117-14-01)

T50N, R27W, SEC. 02; T50N, R27W, SEC. 11.

Marquette County (Advertised Price \$25,018.35)

SALE NOTE: Sale contains wet ground. Cutting only allowed from December 1st to March 31st, see spec. 5.2.3.2. Contact Longyear LLC to obtain access to Unit 1.

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 other public 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			
Balsam Fir	69.00 Cords	\$	20.00 / Cord
Mixed Aspen	60.00 Cords	\$	23.80 / Cord
Mixed Hardwood	680.00 Cords	\$	30.00 / Cord
W. Spruce	81.00 Cords	\$	22.35 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 12.66 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 \$1,700.00 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 27% 73%

- 02
- 4. If no cutting takes place, the 10% down payment will not be refunded. 5. Operations on the contract issued will terminate on 11/30/2018.

Sale Specific Conditions & Requirements

Sale Name: Remington Road Mix Sale Number: 32-117-14-01

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 red and green paint. Exterior boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with green paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1 and 2, cut all trees that are four (4) inches or more at DBH. Special protection trees identified in accordance with condition 3.4.2, within clearcutting unit boundaries, are not Included Timber and are to be protected.

2.1.11 - Description of timber note (2/04)

Note that Mixed Hardwood volume includes white birch and ash.

2.2 - Utilization

2.2.9 - No chipping permitted (12/08)

Within Payment Unit(s) 1 and 2, all wood must be removed by whole tree, tree segment, or roundwood. No chipping is permitted due to wildlife habitat concerns.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (7/14)

Payment Unit(s) 1 and 2 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.

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/14)

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.

No damage is acceptable to merchantable trees. Within the sale area, if more than 10% 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.

3.4.2 - Special Protection Trees (4/14)

The Purchaser shall not cut live or dead special protection trees within cutting units or clearings. Special protection trees are basswood, yellow birch, hemlock, white pine, red pine, cedar, oak and elm. If the Purchaser's operations have cut or damaged special protection trees through carelessness, the Purchaser shall pay \$25 as fixed, agreed and liquidated damages for each special protection tree cut or damaged. Such payment does not constitute ownership of the undesignated timber.

4 - Transportation

4.1 - Construction

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 left along the roadway edge to be used for road blocking once the timber sale is complete.

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. The small spur road off of the snowmobile trail South of Unit 2 is considered an overgrown road and must be blocked. In general this will require stumps, slash, rocks, and tops to be spread at specific locations. All stumps from road building and landing construction must be reserved to block any newly constructed roads upon completion of the sale. These stumps must be scattered along the road system to prohibit vehicular movement. Contact the sale administrator for specific details of design and placement.

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 wet weather conditions.

4.2.3 - Road maintenance (8/13)

The following road maintenance is required: Within 60 days of completion of hauling, the road into Unit 1 and the portion of snowmobile trail used within Unit 2 must be maintained and graded. This includes cleaning of drainage areas, grading, crowning and filling holes with gravel, if necessary. Producer must use either a road grader or bull dozer to grade the road. Damages will be assessed if grading/repair does not occur. Sale administrator will inspect the road after hauling is complete to see what work needs to be done.

4.4 - Access

4.4.1 - Private property access (3/11)

Permission for access across private land is the responsibility of the Purchaser. Contact JM Longyear LLC (Tim Schneider-906-228-7960) for permission to use their road to access Unit 1.

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. The Unit Manager or his/her representative must be contacted at least 5 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

5.2.1.1 - 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 5 feet back from the red paint line.

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area or Payment Unit(s) 1 and 2 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.

5.2.2 - 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.

5.2.3 - Operating Restrictions

5.2.3.2 - Operating restrictions (9/11)

Within Payment Unit(s) 1 and 2, unless changed by written agreement, cutting, skidding, and hauling are limited to the period of December 1 to March 31. This restriction is due to wet ground conditions.

5.2.17 - Crane Mats/Timber Mats (9/11)

Some roads or skid trails may require extra protection such as that afforded by Crane Mats/Timber Mats. If available, Crane Mats/Timber Mats may be borrowed from the DNR and are located at the Marquette OSC and the Grayling Field Office. Contact the sale administrator for specific details. A Timber Sale Contract Supplement will be used to document the Purchaser's use of the DNR's Crane Mats/Timber Mats. It is the responsibility of the Purchaser to contact the sale administrator to schedule pick up and drop off. In addition, all mats must be cleaned prior to drop off. A charge of \$125.00 eachwill be assessed for all damaged or non-returned mats. Damage is defined as misuse resulting in three or more broken cants.

5.2.32 - Decking/landing restoration (9/13)

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.

5.2.37 - No decking areas (12/08)

No decking is allowed along the East side of the timber sale boundary. This restriction is to keep disturbance to a minimum along the riparian area that exists. Contact the sale administrator for placement of landing areas.

5.2.41 - Snowmobile trail protection (9/11)

A snowmobile trail exists and is shown on the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. If the trail is used, it must be maintained and restored to a condition equal to or better than before the sale. If the trail road is to be used for hauling during the snowmobile season (December 1 to March 31), then a minimum 4" deep snow covered base must be left on the

trail. No snow berms may be left on the trail. Hauling will be limited to Monday through Friday daylight hours only. No hauling or moving equipment on the trail after dark or on weekends or holidays. Maintain a 20 foot wide slash, debris, and rut free zone daily using the snowmobile trail as the centerline. No decking of forest products will be permitted along the snowmobile trail.

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.

5.4.5 - Soil caution (11/04)

Care must be taken to minimize soil damage due to the wet soils that exist within the sale area.

5.8 - Protection of Endangered Species

5.8.5 - Protection of raptor nests (3/13)

All trees with raptor nests will be protected if found during harvesting operations. Notification will be made to the Unit Manager or his/her representative who will notify the Wildlife Biologist so an on-site evaluation and recommendation can be made, if necessary.

6 - Safety and Fire Prevention

6.2 - Signing

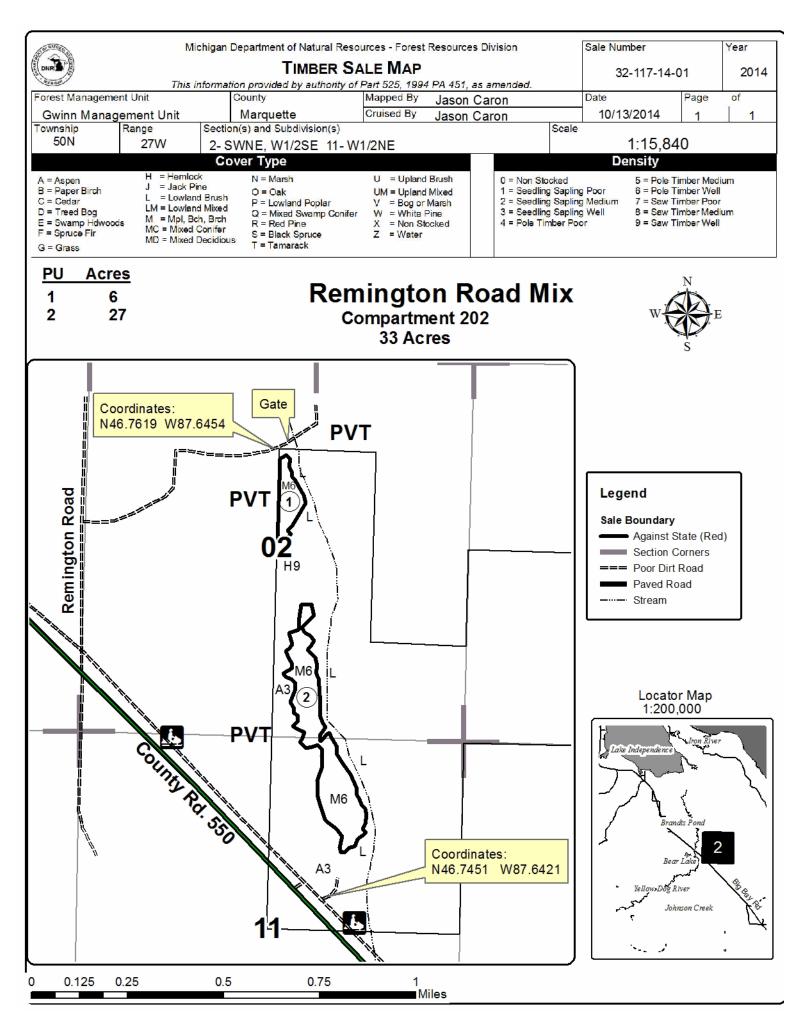
6.2.1 - Road posting (9/09)

The Purchaser is responsible for posting and maintaining caution signs on the Remington Road prior to beginning operations. The road must be posted 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.

6.2.2 - Snowmobile trail posting (8/09)

The Purchaser is responsible for posting and maintaining caution signs on the snowmobile trail prior to beginning operations during the snowmobile season (approximately December 1 to March 31). The trail must be posted at appropriate distances 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.

Section Name: Sale Specific Current as of 5/11/2015 9:47:05AM



BID FORM

REMINGTON ROAD MIX (32-117-14-01) T50N, R27W, SEC. 02; T50N, R27W, SEC. 11, Marquette County

In response to the notice of sale to be held 3:00 p.m. (local time) on September 14, 2015, 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	<u>ESTIMATEI</u>	D UNITS*	_AD\	/ERTISED PRICE	BID P	RICE
Pulpwood	·				·-	
Balsam Fir	69.00	Cords	\$	20.00 / Cord	\$	/ Cord
Mixed Aspen	60.00	Cords	\$	23.80 / Cord	\$	/ Cord
Mixed Hardwood	680.00	Cords	\$	30.00 / Cord	\$	/ Cord
W. Spruce	81.00	Cords	\$	22.35 / Cord	\$	/ Cord

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:				
	0.1	G: 1	-		
	City:	_ State:	Zip:		
F AVAIL	ABLE, PLEASE PLACE THE PERSO				
		ONALIZED LABE	EL FROM YOUR PROSP		

^{*} The total volume is statistically estimated within plus (+) or minus (-) 12.66 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.



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 <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 (e)			
City	City State ZIP				
I 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			