REQUEST FOR BIDS

by

School of Forest Resources and Environmental Science, Michigan Technological University

for timber owned by

Michigan Technological University

LOCATION

W ½ of W ½ of Sec. 13, W ½ of E ½ of W ½ of Sec. 13; Lying southerly of the existing US-41 right of way & E ½ of the E ½ of Sec. 14, E ½ of the W ½ of the E ½ of Sec. 14; Lying southerly of the existing US-41 right of way, T58N R30W, Grant Township, Keweenaw County, Michigan. Access from Lac La Belle Rd. & Wyoming Rd.

SALE DATE AND TIME

Bids must be received at the office of the School of Forest Resources and Environmental Science, Michigan Technological University no later than 1:00 p.m. EST, October 19, 2009. The bids will be opened at the above location at 1:00 p.m. EST, October 19, 2009.

CUTTING PERIOD

Harvesting operations can commence after October 19, 2009, and shall be completed by September 30, 2010.

TYPE OF SALE

This is a scaled sale with payment made for each unit of stumpage removed.

CUTTING SPECIFICATIONS

Unit 1 (Hardwood Stand): All trees marked in orange paint are to be cut; trees marked with a large letter “T” are to have the stumps popped (partially uprooted) by the logging equipment to create tip ups;

Unit 2 (Hardwood Gaps): All trees marked in orange paint are to be cut with care taken to preserve scattered unmarked trees;

Units 3 & 4 (Mixed Stands): cut all merchantable paper birch, aspen, and balsam fir and cut all trees marked in orange paint.

All Units: main skid trails are flagged in orange, sensitive areas are flagged in pink, and unit boundaries are flagged in red. Property boundaries are marked in blue. Area designated for harvest: 56 acres

SPECIAL CONDITIONS

All trees flagged in pink or pink and black ribbon will be left uncut and undamaged.

Landing locations will be determined by forester(s) in charge and logging contractor after the sale is awarded.

Existing recreational trails used for skidding or forwarding will be restored to a condition satisfactory for recreational use immediately following completion of logging operations.

TIMBER DATA

Sawtimber Volume: 20 mbf; Pulpwood Volume: 465 cords

Major Sawtimber Species: Red maple, sugar maple, paper birch, n. red oak

Major Pulpwood Species: sugar maple, red maple, red oak, aspen, balsam fir

GENERAL

Notice is hereby given that bids will be received by the School of Forest Resources and Environmental Science, Michigan Technological University, for timber situated on lands described above. A timber sale contract for this timber sale will be awarded to the responsible bidder offering the highest sealed bid price. The bidder must use the bid form provided. Unsealed envelopes or incomplete bid forms will be rejected.
MERCHANTABLE TREES

Any hardwood tree containing a grade 3 or better sawlog and any softwood tree containing a grade 3 or better sawlog which is at least eight (8) feet in length plus trim with a minimum diameter inside bark at the small end of ten (10) inches shall be considered a merchantable sawtimber tree. Any tree not ordinarily capable of producing sawlogs but customarily used for pulpwood or bolts shall also be considered merchantable timber, providing markets are available, such trees are designated for harvesting, and harvesting said trees is economically feasible. Full utilization of marked trees including tops where applicable is required to a small end diameter of four (4) inches.

MERCHANTABLE VENEER AND SAWLOGS

Grading and scaling of veneer and sawlogs shall be in accordance with the Timber Producers Association of Michigan and Wisconsin, Inc., Official Grading Rules for Northern Hardwood and Softwood Logs and Tie Cuts, as amended from time to time. Any hardwood log which conforms to the specifications for grade 3 sawlogs or better, and any softwood log which conforms to the specifications for grade 3 sawlogs or better shall be considered a merchantable sawlog and will be sold at the bid price offered by the successful bidder. Any logs which do not meet the above specifications will be considered pulpwood or bolts, and will be sold at the bid price per cord offered by the successful bidder. The Buyer may cut and utilize cull sawlogs of less than 50% soundness, but said logs shall be paid for in accordance with the pulpwood rates as agreed to and set forth in the bid form. Sawlog volumes given on the bid form are estimated in board feet Scribner, and all sawlogs and veneer will be scaled using Scribner log rule.

BONDING REQUIREMENTS

A cash or surety bond, or irrevocable letter of credit, equal to $10,000 (ten thousand dollars) or fifty (50) percent of the total bid value, whichever is greater, must be posted with the School of Forest Resources and Environmental Science, Seller’s Agent prior to the commencement of harvesting operations to ensure a faithful performance. The bond will be returned in a timely manner upon satisfactory completion of the sale as determined by final inspection by the forester in charge.

PAYMENT SCHEDULE

The Buyer agrees to make payments on weekly or bi-weekly intervals in the following manner as the timber is harvested and scaled: Scale tickets and checks for harvested products must be submitted to the School of Forest Resources and Environmental Science accordingly. Payment shall be made with the first submission of scale tickets after receipt of the invoice. Payment must be remitted promptly on a weekly or biweekly basis, failure to remit payment when due may result in suspension of logging operations, forfeiture of the bond, and default in payment beyond thirty (30) days may bear an interest charge of five (5) percent per month from the due date.

INSPECTION

Timber volumes on the bid form are based on a tally of trees marked, and standard tables or procedures were used to determine sawtimber and cordwood volumes. These volumes are not guaranteed. Prospective bidders are urged to examine this timber and make their own estimates of quality and quantity. The timber can be inspected at any time prior to the sale.

WORKER’S COMPENSATION

All prospective bidders must comply with the requirements of the Worker’s Compensation Act to be eligible to bid. Failure to complete the verification of worker’s compensation insurance form will result in the rejection of the bid.
TIMBER SALE CONTRACT

Additional requirements and conditions common to all timber sales are listed in the Timber Sale Contract. A copy of the Request for Bids form shall be attached to and constitute a part of the Timber Sale Contract. A contract is available from the Seller upon request.

BID FORM INSTRUCTIONS

Write in your bid price for each species in the space provided. The total bid value must meet or exceed any minimum bid value set by the Seller. This total will be used to select the apparent high bidder(s). The apparent high bid(s) will be verified by computing the total bid value using the values on the bid form and said bid form checked for completeness. Verification total(s) will be used in determining the high bidder. All incomplete, inaccurate, or spurious bids will be rejected. Michigan Technological University reserves the right to reject any or all bids.

Please complete the Supplementary Questionnaire at the back of the bid form packet

For Seller

James M. Schmierer, Jr., School Forester/Lecturer,
MI Registered Forester #977
Seller’s Agent

School of Forest Resources and Environmental Science,
Michigan Technological University
1400 Townsend Drive, Houghton, MI 49931-1295
phone (906) 487-2963; fax (906) 487-2915; email <jmschmie@mtu.edu>
In response to the notice of sale, I am hereby submitting my bid for the following forest products to be cut:

<table>
<thead>
<tr>
<th>Species/Group</th>
<th>Product Description</th>
<th>Bid Price</th>
<th>Est. Volume</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Maple</td>
<td>G3 &amp; better Sawlogs</td>
<td>/mbf</td>
<td>7.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Sugar Maple</td>
<td>G3 &amp; better Sawlogs</td>
<td>/mbf</td>
<td>5.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Paper Birch</td>
<td>G3 &amp; better Sawlogs</td>
<td>/mbf</td>
<td>4.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>N. Red Oak</td>
<td>G3 &amp; better Sawlogs</td>
<td>/mbf</td>
<td>3.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Hardwood</td>
<td>Pulpwood</td>
<td>/cord</td>
<td>425 cords</td>
<td>$</td>
</tr>
<tr>
<td>Hardwood</td>
<td>Bolts</td>
<td>/cord</td>
<td>20 cords</td>
<td>$</td>
</tr>
<tr>
<td>Mixed Softwood</td>
<td>Pulpwood</td>
<td>/cord</td>
<td>21 cords</td>
<td>$</td>
</tr>
<tr>
<td>Aspen</td>
<td>Pulpwood &amp; Bolts</td>
<td>/cord</td>
<td>28 cords</td>
<td>$</td>
</tr>
</tbody>
</table>

Total Bid Value $__________________

I understand that any or all bids may be rejected by the Seller. I also understand that consideration in awarding a Contract can be based on my past performance and ability to complete the Contract based upon equipment and manpower subject to my control.

This verification of compliance with the Worker’s Compensation Act must be completed. Failure to do so will result in the rejection of your bid.

Name of Business: ________________________________________________________________________________
Address: ________________________________________________________________________________________
City/State/Zip Code: ______________________________________________________________________________
Federal ID or Social Security No.: __________________________________________________________________
Phone: __________________________ Fax: __________________________ Email: __________________________

I agree to maintain a minimum Worker’s Compensation policy and public liability insurance for the period of logging operations on the Seller’s property in the amount of:

a. Personal injury: $250,000 single limit liability or $100,000 bodily injury per person and $250,000 per occurrence.
b. Property damage: $100,000.

I agree to instruct my insurance carrier to furnish an original certificate of insurance of current coverage under the Worker’s Compensation Disability Compensation Act to the School of Forest Resources and Environmental Science, Michigan Technological University, 1400 Townsend Drive, Houghton, MI 49931 prior to the commencement of logging operations. I further agree to instruct my insurance carrier to state on the certificate of insurance of current coverage that the insurance carrier will provide advance 30-day notification of cancellation of the Worker’s Compensation Policy.

I understand that this requirement applies even though my business may not be subject to the Worker’s Compensation Act and that a contract for the timber sale cannot be granted or executed without complying with this requirement

_______________________________________________  _______________________________  ______________
Bidder               Title    Date
SUPPLEMENTARY QUESTIONNAIRE

Please complete this form before submitting the bid form. Please provide information that is accurate as possible at this time. Thank you very much for your honesty and cooperation.

Date expected to begin logging operations on the sale premises:
Day/Month/Year: __________________________________________________

Date expected to complete logging operations on the sale premises:
Day/Month/Year: __________________________________________________

The following information is intended to help the landowner with financial planning and planned land use activities on the sale parcel.

Type of logging operation that will be used in harvesting the timber on this sale: (Please mark the appropriate blank and/or describe your operation)

______ Rubber-tired skidder
______ Forwarder
______ Processor
______ Slasher
______ Chipper
______ Shortwood skidding
______ Longwood skidding
______ Manual Felling
______ Other, please describe: ________________________________

List the probable buyers for the timber and/or forest products on this sale:

Veneer: ______________________________________________________________________________

Sawlogs: ______________________________________________________________________________

Pulpwood: ______________________________________________________________________________

List landowners from whom you have purchased timber in the last 5 years:

name address phone
__________________________________________________________________________

name address phone
__________________________________________________________________________

name address phone
__________________________________________________________________________