Commonwealth of Pennsylvania
Department of Conservation and Natural Resources
Bureau of Forestry

PROSPECTUS

Loyalsock State Forest Timber Stumpage Sale 20-2015BC04
Fools Mission Salvage

The Department offers for sale the following FSC certified sawtimber and pulpwood stumpage on 57 acres located Mead Rd., Laporte Township, Sullivan County, Pennsylvania.  **The bid opening date is Wednesday, August 10, 2016.**

VOLUME COMPUTATIONS:

<table>
<thead>
<tr>
<th>SPECIES</th>
<th>*MBF</th>
<th>SPECIES</th>
<th>**HCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>White Ash</td>
<td>59.434</td>
<td>Northern Hardwood (pulpwood)</td>
<td>118</td>
</tr>
<tr>
<td>Hemlock</td>
<td>19.419</td>
<td>Conifer (pulpwood)</td>
<td>17</td>
</tr>
<tr>
<td>Red Maple</td>
<td>17.088</td>
<td>Miscellaneous Pulpwood</td>
<td>0</td>
</tr>
<tr>
<td>Sugar Maple</td>
<td>9.307</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Cherry</td>
<td>4.631</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>21.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>130.883</strong></td>
<td></td>
<td><strong>135</strong></td>
<td></td>
</tr>
</tbody>
</table>

*MBF equals 1000 Board Feet
**HCF equals 100 Cubic Feet of solid peeled wood. Multiply the total HCF by 1.47 to convert to standard rough cords. Multiply the total HCF hardwood volume by 2.9 to obtain a rough estimate of hardwood tons. Multiply the total HCF softwood volume by 2.2 to obtain a rough estimate of softwood tons.

Sawtimber volumes are based on the Girard Form Class Volume Tables utilizing the International 1/4 Inch Log Rule. Sawtimber volumes for blocks 1, 2, 3, 4 and 5 were 100% tallied. Pulpwood volumes for blocks 1, 2, 3, 4 and 5 were 1% tallied.

The species, quality, and block volumes may vary from said estimates. Volumes and quality are not guaranteed. No volume adjustments will be made. Bidder should bid on his own estimate of merchantable volume and log quality. No logs will be scaled.

Topwood smaller than 4 inches diameter inside bark on cutting block(s) all is reserved. Topwood is the upper portion of a felled tree not normally merchantable for any product other than fuelwood because of size, taper, or other defect.

EXPIRATION OF CONTRACT:

This contract will expire on Friday, September 28, 2018.

TOUR OF THE SALE AREA:

Prospective bidders should meet at Loyalsock State Forest, Resource Management Center 6735 Rte 220, Dushore, PA 18614 W 41.438556 -76.464141 on Tuesday at 9:00 AM, prevailing local time, July 26, 2016, for a conducted tour of the sale area at which time other details of the contract will be explained.

This and other prospectuses may be found on the WEB @
http://www.dcnr.state.pa.us/forestry/stateforestmanagement/timersales/availabletimbersales/index.htm
TIMBER CRUISING:

The approved products for marking trees by prospective buyers are chalk, paint sticks and marking crayons. Prospective buyers may not use the same color of paint as the bureau in each block unless otherwise authorized in writing by the district forester.

BIDS:

The bid form and envelope may be secured from Bureau of Forestry, 6735 Route 220, Dushore, PA 18614-8101, Telephone (570) 946-4049. The outer envelope in which bid is mailed must be clearly marked that it contains a bid for this sale. Sealed, signed bids must reach Pennsylvania Department of Conservation and Natural Resources, Bureau of Legal Services, 7th Floor, Rachel Carson State Office Building, 400 Market Street, Harrisburg, PA 17101-2301 before public opening and reading of bids at 2:00 PM, prevailing local time, Wednesday, August 10, 2016. A certified, cashier's, treasurer's check or official check or bank, postal or express money order payable to the Commonwealth of Pennsylvania for $1,000.00 to guarantee execution of the contract must accompany the bid. PERSONAL CHECK OR PERSONAL MONEY ORDER WILL NOT BE ACCEPTED AS BID DEPOSIT. Also a permanent bid bond on file with the Bureau of Legal Services is acceptable.

Bid deposits not held on file as permanent bid bonds will be handled as follows: Bid deposits will be returned to the unsuccessful bidders immediately following bid opening. The successful bidder's bid deposit will be returned when the contract is executed and a satisfactory performance deposit is furnished as required in the performance deposit section of this prospectus. The successful bidder has the option to apply his bid deposit to the performance deposit or initial payment.

The Department will not consider lump sum bids of less than $11,383.00. This is the Department's estimated minimum valuation for the timber after a deduction of $4,134.00 for the Department's estimated cost of construction, improvement and seeding of haulroads. Road and seeding cost estimates are not guaranteed. Bidders should do their own assessment of costs when considering their bid.

The Department reserves the right to reject any or all bids and to waive any informalities, defects, or irregularities in the bids.

PERFORMANCE DEPOSIT:

The successful bidder must furnish as guarantee for performance of their bid commitment a corporate surety bond or a certified, cashier's or treasurer's check or official check or bank, postal or express money order payable to the Commonwealth of Pennsylvania. PERSONAL CHECK OR PERSONAL MONEY ORDER WILL NOT BE ACCEPTED FOR PERFORMANCE DEPOSIT. Negotiable securities, including letter of credit, bank savings account or bank investment certificate may be furnished in lieu of the above. The amount of the required performance deposit will be calculated in accordance with the following table:

<table>
<thead>
<tr>
<th>BID VALUE</th>
<th>PERFORMANCE DEPOSIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>25% of the sum of the bid value plus the Department's estimated road and seeding costs (in the prospectus)</td>
</tr>
<tr>
<td>$50,000 to $250,000</td>
<td>20% of the sum of the bid value plus the Department's estimated road and seeding costs (in the prospectus)</td>
</tr>
<tr>
<td>$250,000 to less than $2.5 million</td>
<td>15% of the sum of the bid value plus the Department's estimated road and seeding costs (in the prospectus)</td>
</tr>
<tr>
<td>$2.5 million or more</td>
<td>10% of the sum of the bid value plus the Department's estimated road and seeding costs (in the prospectus)</td>
</tr>
</tbody>
</table>

CURRENCY:

All bids, bid deposits, performance deposits, sales tax and other payments related to this project will be in United States dollars only.

This and other prospectuses may be found on the WEB @
http://www.dcnr.state.pa.us/forestry/stateforestmanagement/timbersales/availabletimbersales/index.htm
SALES TAX:

The Department will collect sales tax only for the timber that the buyer will consume for his own use and not sell or process for sale to others.

EXECUTION OF CONTRACT:

The successful bidder will be required to execute the Department's Tree Estimate Timber Stumpage Sale Contract. The buyer must furnish a satisfactory performance deposit by the date specified in the cover letter, which will accompany the contract when it is mailed to the buyer for execution. The contract may be examined in the forest district office.

If the highest qualified bidder fails to execute the contract or provide a satisfactory performance deposit, the bidder will be considered in default and will forfeit his bid deposit to the Department as liquidated damages and the timber will be offered to the other qualified bidders in the order of descending bids, or negotiated or re-advertised as appropriate. The consequence of such a default may also subject the bidder to further sanctions under the statewide Contractor Responsibility Program in accordance with Management Directive 215.9 Amended, as issued by the Governor's Office. Such Contractor Responsibility action may result in finding the Bidder non-responsible in subsequent timber sales and preclude an award to the Bidder in those sales.

PAYMENT FOR TIMBER DAMAGES:

The value of timber damaged by buyer will be computed as stated under Paragraph 10, entitled Timber Damage, of the Tree Estimate Timber Stumpage Sale Contract.

CUTTING BLOCK:

This sale is divided into five (5) blocks. The order of cutting blocks should proceed as follows: 1, 5, 4, 2, 3, unless otherwise authorized in writing by the District Forester. Before logging operations may be started on any cutting block, the stumpage on that block must be paid in full. The buyer has the option to make lump sum payment for all blocks prior to the start of logging operations. Logging operations, including cleanup, must be concluded to the satisfaction of the Department on one block before logging operations may be started on another block unless modified in writing by the Department. Payment for the last cutting block to be purchased must be made by certified, cashier's or treasurer's check; or postal, bank, or express money order payable to the Commonwealth of Pennsylvania. Certified funds may be required for other payments at the discretion of the district forester.

FELLING OF TREES:

All trees marked with yellow or red paint must be felled. All designated trees and unmarked trees between 1 and 6 inches Dbh on cutting block(s) 2,3,4 must be felled, except All maple and black cherry between 1 and 6 inches, which are reserved and should not be cut. All sale boundary and block line trees marked with a band of blue paint at DBH and a spot of blue paint below stump height are reserved and must not be felled. Save trees marked with a spot of blue paint at DBH and below stump height must not be felled. Trees must be felled in accordance with the attached Summary of Trees to be Felled or Reserved by Cutting Block.

CULL TREES:

One hundred and twenty nine (129) cull trees marked with an 'X' above stump height must be felled. The buyer may utilize felled cull trees without charge.

LOGGING RESTRICTIONS:

The following are prohibited: The use of equipment that in the opinion of the District Forester results in abnormal damage to the residual stand. Tree length skidding is prohibited for the entire sale unless in the opinion of the district forester damage to the residual stand is kept at a minimum. Whole tree harvesting is prohibited for the entire sale. Cutting and logging operations are prohibited.

This and other prospectuses may be found on the WEB @
http://www.dcnr.state.pa.us/forestry/stateforestmanagement/timbersales/availabletimbersales/index.htm
from March 15 to May 31 unless authorized in writing by the District Forester. Hauling is prohibited from March 15 to May 31 unless authorized in writing by the District Forester. Mechanical harvesters are prohibited in blocks 2, 3, & 4 unless authorized in writing by the District Forester. A copy of the E & S plan (attachment D on the contract) must be kept on site during logging and road construction operations.

TOPS AND SLASH:

No tops or slash shall be left on any transmission pipeline right-of-way, or drainage ditch leading from a culvert, water bar, intercepting dip or break in berm of road, or in, on, or within 25 feet of a State Forest boundary line, stream, spring seep, dam, lake, trail or within 100 feet of a railroad, building campsite, or officially designated park, picnic area, vista or forest monument. Tops and slash must be removed 25 feet from roads unless otherwise authorized in writing by the district forester.

Tops and slash within 100 feet of improved State Forest roads or public highways, or within the boundaries of officially designated State Parks, picnic areas, vistas, or forest monuments shall be lopped to a diameter of 3 inches and scattered evenly over the ground.

Tops and slash must be cleared from a 10 foot designated deer fence corridor on blocks 2, 3, and 4.

HAUL ROADS:

Buyer must construct 0.13 miles of secondary haul road for this sale. Buyer must purchase, deliver and spread 224 tons #3 minus stone. Buyer must purchase, deliver and spread 60 tons 2RC stone. Buyer must purchase and install 3 5 foot dark green steel U posts. Sign posts must be new or painted dark green and straight. Buyer must purchase, paint, and install 3/4” x 12” x 16” treated plywood sign boards. Sign boards must be painted on all surfaces. Use Olympic Exterior Stain, Russet Maximum Latex, code 101-3Y4 107-1Y12 109-2Y8. Buyer must purchase and install 6 lbs. perennial ryegrass seed. Seed must be raked into seedbed upon completion of the seedling.

SAFETY:

The Buyer, his employees and sub-contractors are required to perform all logging operations in a safe manner as required by applicable laws and regulations. The Department expects the Buyer to ensure that logging crewmembers dress in protective attire and perform their duties with equipment in accordance with standards established by the logging industry and the Occupational Safety and Health Administration (OSHA).
LOGGER CERTIFICATION:

On-site crew leaders for all logging crews working on this sale must be trained under the Pennsylvania Sustainable Forestry Initiative. Information relating to this training may be found on the Internet at www.sfiofp.org. Each crew leader operating on the sale must present a valid PA SFI Core Level Training card as proof of training to the District Forester prior to beginning logging operations on the sale. Comparable training from other states may be accepted in lieu of Pennsylvania Sustainable Forestry Initiative training.

ENVIRONMENTAL PROTECTION:

The Buyer must take whatever precautions are necessary, in the opinion of the district forester, to prevent soil erosion, water pollution and any other conditions detrimental to the environment on state and private land, and must correct immediately at his/her own expense to the satisfaction of the Department any conditions detrimental to the environment which result from the operation of this sale.

SAWMILL SETS:

Sawmill sets for this sale are not permitted unless otherwise authorized in writing by the district forester.

EXTENSION OF EXPIRATION DATE OF CONTRACT:

The expiration date of this contract may be extended at the discretion of the Department. When the district forester suspends sale operation in writing for any reason other than buyer non-compliance, the contract can be extended at no cost to the buyer for a period equal to the period of suspension. If for any other reason an extension beyond the contract expiration date becomes necessary, the buyer must submit a written request 30 days prior to contract expiration date to the district forester stating the period of extension requested in months and reasons why the contract cannot be completed by the expiration date.

For each month of the requested extension period, the buyer will pay to the Department five (5) percent of the value of all cutting blocks not released by the district forester. Payment in full for each extension in the form of a certified, cashier's, treasurer's or official check, or postal or express money order payable to the Commonwealth of Pennsylvania must accompany the request for extension. If the extension is granted and sale operations are completed prior to the end of the extension period, no refunds will be made.

If sale operations have not been completed by the contract expiration date and the Department has not approved a contract extension, all sales related activities will be suspended. If an extension is subsequently approved, the buyer must make payment as outlined above to include the period of suspension.

U. S. DEPARTMENT OF AGRICULTURE QUARANTINES:

Quarantines of forest products against the spread of emerald ash borer (entire state), pine shoot beetle (entire state) and gypsy moth (entire state) are now in effect in Pennsylvania. The buyer is responsible for understanding and complying with all applicable quarantines. Please contact the regional office of U.S. Department of Agriculture, P.O. Box 1554, Williamsport, PA 17701, telephone 570-322-5784 or see their website: http://www.aphis.usda.gov/plant_health/plant_pest_info/index.shtml for further information on regulations, inspections and certification to move regulated articles out of quarantined areas.

GREEN CERTIFICATION STATEMENT:

SmartWood Cert. # SCS-FM/COC-00011N FSC 100% indicates that the timber in this timber stumpage sale comes from a forest that is well managed according to strict environmental, social and economic standards. This forest has been independently inspected and evaluated by Scientific Certification Systems according to the principles and criteria for forest management agreed and approved by the Forest Stewardship Council.
NON-DISCRIMINATION CLAUSE:

The Commonwealth of Pennsylvania is an Equal Opportunity Employer and requires conformance with Title 16 Pennsylvania Code, Chapter 49, Contract Compliance Regulations.

ADDITIONAL RESTRICTIONS:

Mechanical harvesters are prohibited in blocks 2, 3, & 4 unless authorized in writing by the District Forester.
EXHIBIT A
LOYALSOCK STATE FOREST
202015BC04
Fools Mission Salvage
Laporte Township, Sullivan County
56 ACRES

Two-Age 6
Salvage Shelterwood 30
Salvage (dead and dying only) 20

Chad Gadsby
June 21, 2016
Map Section:
Compartment: 38
Scale: 1 inch equals 0.25 miles

Loyalsock Creek

Lat. 41.4467778
Lon.-76.4535278

Laporte 3 miles
South on US 220
<table>
<thead>
<tr>
<th>BLOCK NUMBER</th>
<th>TREATMENT</th>
<th>BLOCK ACRES</th>
<th>RED PAINT BETWEEN 1 X INCHES</th>
<th>BLUE PAINT BETWEEN 1 X INCHES</th>
<th>CUT TREES (must be felled)</th>
<th>LEAVE</th>
<th>OPTIONAL DEAD CULL TREES</th>
<th>SPECIAL INSTRUCTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HAUL ROAD</td>
<td>1 R</td>
<td>1 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>SALVAGE SHELTERWD</td>
<td>14 Y</td>
<td>1 6</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>All maple and black cherry between 1 and 6 inches are reserved</td>
</tr>
<tr>
<td>3</td>
<td>SALVAGE SHELTERWD</td>
<td>16 Y</td>
<td>1 6</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>All maple and black cherry between 1 and 6 inches are reserved</td>
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<tr>
<td>4</td>
<td>SALVAGE REMOVAL</td>
<td>6 Y</td>
<td>1 6</td>
<td></td>
<td>X</td>
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<td></td>
<td>All maple and black cherry between 1 and 6 inches are reserved</td>
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<tr>
<td>5</td>
<td>SALVAGE</td>
<td>20 Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

1 All trees marked with yellow or red paint must be felled.

2 All trees larger (or between) the listed DBH value(s) should be cut with the exception of species listed under special instructions.

3 Dead cull trees marked only below stump height with a spot of yellow paint may be felled at the option of the buyer.