

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #4723

SCHEDULED SALE DATE AND TIME: 11:00 a.m. (local time) on September 26, 2012. LOCATION: GLADWIN MGMT UNIT, 801 N SILVERLEAF, GLADWIN, MI 48624.

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

SANFORD LAKE SELECTION (73-009-12-01) / T15N, R01W, SEC. 02, W1/2NW.

T15N, R01W, SEC. 03, NE1/4,N1/2NW,W1/2SW,SESW,SE1/4.

T15N, R01W, SEC. 10, E1/2NE, N1/2NW, SWNW, E1/2SW.

T15N, R01W, SEC. 11, W1/2NW.

Midland County, Advertised Price \$73,564.65, 231.0 Acres

SALE NOTE: Please be aware of Seasonal wet soil condition cutting & Bark beetle restrictions

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.

COVE VIEW ASPEN (73-010-12-01) / T20N, R01E, SEC. 26, W1/2NE,NWSE,NESW.

T20N, R01E, SEC. 27, S1/2SE,.

T20N, R01E, SEC. 34, SW1/4,N1/2NE,SWSE.

T20N, R01E, SEC. 35, W1/2NW, SENW.

Gladwin County, Advertised Price \$64,714.28, 190.0 Acres

SALE NOTE: See Seasonal wet soil condition & Coppice regeneration protection restrictions before cutting.

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 state forest land.

BID INSTRUCTIONS (VER. 02/13/2012):

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

Bids must be received by the Unit Manager, GLADWIN OFFICE, 801 N SILVERLEAF, GLADWIN, MI 48624, no later than 11:00 a.m. (local time) on September 26, 2012. For further information concerning this sale, contact Jason Hartman at 989-426-9205 extension 7640.

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 (1/11)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

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 (1/11)

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/dnr. 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 (10/11)

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 Pure 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

SANFORD LAKE SELECTION (73-009-12-01)

T15N, R01W, SEC. 02; T15N, R01W, SEC. 03; T15N, R01W, SEC. 10; T15N, R01W, SEC. 11.

SALE NOTE: Please be aware of Seasonal wet soil condition cutting & Bark beetle restrictions

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:

| ESTIMATED UNITS* | <u>ADV</u> | ERTISED PRICE |
|-------------------------|----------------------------------------------------|-------------------------------------------------------|
| | | |
| 209.90 MBF | \$ | 132.00 / MBF |
| 108.00 MBF | \$ | 85.00 / MBF |
| 79.20 MBF | \$ | 59.00 / MBF |
| 65.60 MBF | \$ | 94.00 / MBF |
| | | |
| 655.00 Cords | \$ | 14.00 / Cord |
| 669.00 Cords | \$ | 10.15 / Cord |
| | 209.90 MBF 108.00 MBF 79.20 MBF 65.60 MBF | 209.90 MBF \$ 108.00 MBF \$ 79.20 MBF \$ 65.60 MBF \$ |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$9,878.30:

| PRODUCTS & SPECIES | ESTIMATED UNITS* | <u>ADV</u> | ERTISED PRICE |
|--------------------|-------------------------|------------|---------------|
| Sawlogs | | | |
| Mixed Pine | 31.70 MBF | \$ | 82.00 / MBF |
| Pulpwood | | | |
| Mixed Aspen | 132.00 Cords | \$ | 17.20 / Cord |
| Mixed Hardwood | 52.00 Cords | \$ | 20.00 / Cord |
| Mixed Pine | 58.00 Cords | \$ | 25.80 / Cord |
| White Ash | 107.00 Cords | \$ | 10.25 / Cord |
| White Pine | 159.00 Cords | \$ | 8.65 / Cord |

^{*} The total volume is statistically estimated within plus (+) or minus (-) 10.07 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 **\$4,000.00** 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 | 7% |
| 02 | 11% |
| 03 | 3% |
| 04 | 3% |
| 05 | 25% |
| 06 | 7% |
| 07 | 14% |
| 08 | 19% |
| 09 | 11% |
| | |

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/31/2015.

Sale Specific Conditions & Requirements

Sale Name: Sanford Lake Selection Sale Number: 73-009-12-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by blue, red and 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.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 6 and 7, cut all species trees which meet minimum piece specifications in 2.2 Utilization.

EXCEPTION: Do not cut any trees marked with green paint above and below stump height.

2.1.3 - Cut tree marked unit(s) (12/08)

Within Payment Unit(s) 1, 2, 3, 4, and 9, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability.

IN ADDITION: Cut all aspen and birch trees that are two (2) inches or more in diameter measured at a point four and one half (4 1/2) feet above ground level unless marked with green paint.

2.1.5 - Overstory removal unit(s) (8/11)

Within Payment Unit(s) 5 and 8, all trees with DBH equal to or greater than 10 inches which meet minimum piece specifications in 2.2 Utilization, are designated for cutting.

EXCEPTION: Do not cut any trees marked with green paint above and below stump height.

IN ADDITION: within unit 5 cut all aspen and paper birch trees that are Two (2) inches or more in diameter measures at a point four and one half (4 1/2) feet above the ground.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall be cut as low to the ground as possible. Unless approved by the Unit Manager or his/her representative stump heights shall not exceed 6 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH.

2.2.6 - Roundwood operation required (5/07)

The skidding of whole trees or tree segments with limbs attached is prohibited within all payment units. All products must be produced as roundwood and forwarded to existing roads or landing areas in final product length.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 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 (6/05)

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. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

Within the sale area, if more than 25% of the tree seedlings or saplings (1/4" to 4.5" DBH) within a specified portion of the sale area are damaged, liquidated damages will be assessed at \$300 acre for all acreage within that specified portion of the sale area that was damaged.

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.

4 - Transportation

4.1 - Construction

4.1.5 - Culverts (9/11)

Roads may require the installation of culverts for cross drainage or at natural drainage-ways. If culverts are needed in these locations, their placement will be specified by the sale administrator and they shall be installed prior to hauling. The culverts shall be new, corrugated metal or plastic gauge. Culverts will be a minimum of 12 inches in diameter and 24 feet in length. If culverts are removed, fill shall be removed from wetland soils as specified. Soils shall be maintained and left in a non-erodible condition, with water bars, seed, fertilizer, mulch, and slash installed as directed by the sale administrator and as specified in the BMP manual. Stream crossing permits, if needed, will be obtained by the DNR.

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 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. Some existing roads may also need to be closed, see the timber sale map for locations. In general, this will require constructing double earthen berms at strategic locations. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. Stumps and brush must be placed along the remainder of the trail. 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 Burns Road by the Unit Manager or his/her representative. The restriction may occur during spring breakup.

5 - Operations

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.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1, 2, 4, 7, 8, and 9, unless approved by the Unit Manager or his/her representative, cutting and skidding are limited to the period of 07/15 to 09/30 and to the period of 01/01 to 03/15. This restriction is because of seasonal wet soil conditions.

5.2.3.6 - Bark beetle restriction (12/08)

In the event drought creates a high risk of pine bark beetle infestation, pine is not to be cut during the period March 1 through July 1, unless all portions of trees greater than two inches in diameter are removed from the sale area, reduced to chips, or treated to the satisfaction of the Unit Manager or his/her representative, within fifteen days of being severed from the stump. Pine log decks, pulpwood piles and treetops that are piled for chipping in the fall or winter within a 1/4 mile of susceptible sites must be removed before March 15. Residual slash must not be placed in piles or rows and must be spread over the site for quick drying. The Department of Natural Resources will exercise this specification if the risk of damage warrants.

5.2.4 - Dead and Down Creation

5.2.4.3 - Dead and down creation, dead trees (6/07)

Except as provided for in General Condition and Requirement 5.2.2, no dead trees, standing or down, are to be cut, skidded, or processed.

EXCEPTION: All dead trees within 50' of Burns Road will be cut and left on the ground.

5.2.40 - Pathway protection (10/10)

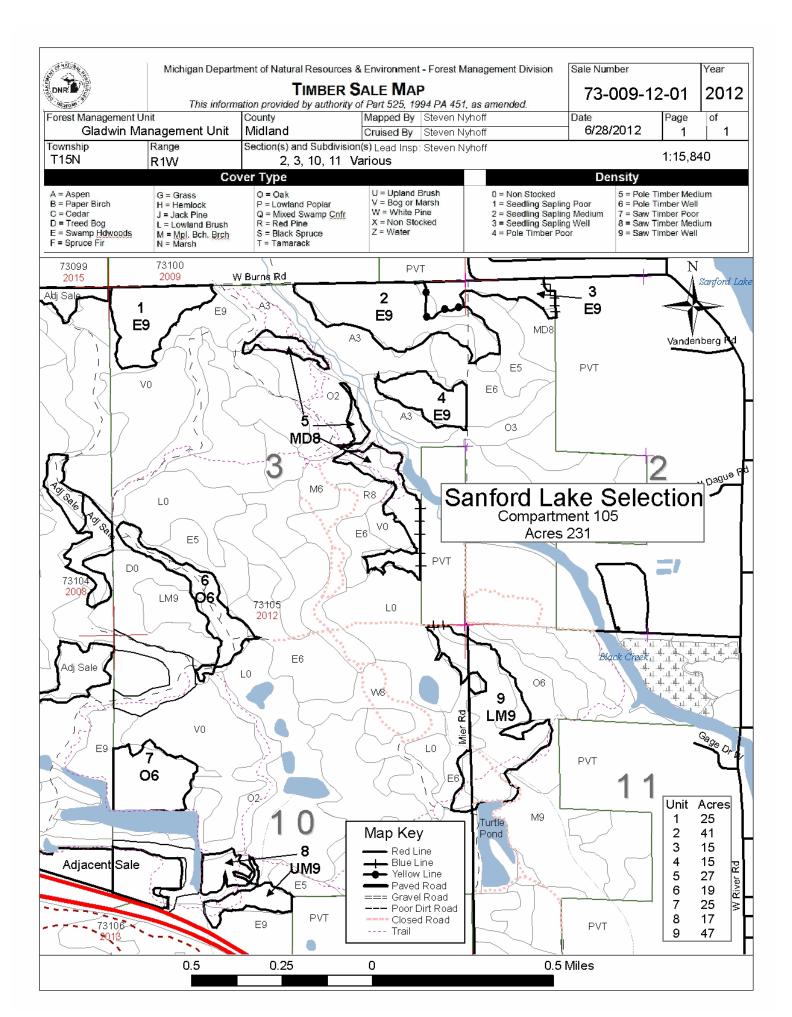
The sale has a proposed bike trail running through some units. Contact the Gladwin Field Office @ (989) 426-9205 ext 7642 and/or Tom McCardle @ (989) 430-0700 before starting harvesting activity. This will allow the proposed trail to be identified. After the trial has been identified maintain a 20 foot slash, debris, and rut free zone daily using the trail as the centerline. Skidding across the trail may only occur in locations approved by the sale administrator.

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.

Section Name: Sale Specific Current as of 8/30/2012 3:59:22PM



TIMBER SALE INFORMATION

COVE VIEW ASPEN (73-010-12-01)

T20N, R01E, SEC. 26; T20N, R01E, SEC. 27; T20N, R01E, SEC. 34; T20N, R01E, SEC. 35.

SALE NOTE: See Seasonal wet soil condition & Coppice regeneration protection restrictions before cutting.

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 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 |
|--------------------|------------------|------------|---------------|
| Sawlogs | | | |
| Mixed Aspen | 123.70 MBF | \$ | 54.00 / MBF |
| Pulpwood | | | |
| Mixed Aspen | 2,324.00 Cords | \$ | 19.20 / Cord |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$13,413.68:

| PRODUCTS & SPECIES | ESTIMATED UNITS* | <u>AD\</u> | /ERTISED PRICE |
|--------------------|------------------|------------|----------------|
| Sawlogs | | | |
| Mixed Oak | 16.50 MBF | \$ | 119.00 / MBF |
| Red Maple | 29.40 MBF | \$ | 84.00 / MBF |
| Red Pine | 15.70 MBF | \$ | 153.00 / MBF |
| Pulpwood | | | |
| Mixed Oak | 57.00 Cords | \$ | 15.80 / Cord |
| Red Maple | 197.80 Cords | \$ | 14.85 / Cord |
| Red Pine | 39.00 Cords | \$ | 45.55 / Cord |
| White Pine | 62.00 Cords | \$ | 15.55 / Cord |
| | | | |

^{*} The total volume is statistically estimated within plus (+) or minus (-) 7.73 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 \$3,300.00 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 | 48% |
| 02 | 5% |
| 03 | 23% |
| 04 | 6% |
| 05 | 13% |
| 06 | 5% |

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/31/2015.

Sale Specific Conditions & Requirements

Sale Name: Cove View Aspen Sale Number: 73-010-12-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by blue, red and 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 shall not be cut.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1, 2, 3, and 5, cut all aspen, red maple and ash trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability. EXCEPTION: Do not cut any trees marked with green paint.

2.1.3 - Cut tree marked unit(s) (12/08)

Within Payment Unit(s) 4, all trees are designated for cutting when marked with YELLOW (not orange) paint above and below stump height, regardless of merchantability. In addition, cut all red maple trees.

EXCEPTION: Do not cut any trees marked with green paint.

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

Within Payment Unit(s) 6, all trees are designated for cutting except trees marked with green paint above and below stump height.

EXCEPTION: Do not cut any oak trees that are eight (8) inches or less in diameter measured at a point four and one-half (4-1/2) feet above ground level, regardless of merchantability.

EXCEPTION: Do not cut any pine trees.

2.1.15 - Hazard trees near roads (9/11)

Cut and remove all standing dead trees within 50 feet of the cleared portion of Cedar Lake and Mohawk Trail roads. These cut snags may be utilized.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall be cut as low to the ground as possible. Unless approved by the Unit Manager or his/her representative stump heights shall not exceed 6 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH.

2.2.6 - Roundwood operation required (5/07)

The skidding of whole trees or tree segments with limbs attached is prohibited within Payment Unit 4. All products must be produced as roundwood and forwarded to existing roads or landing areas in final product length.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 1 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 (6/05)

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. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

Within Payment Units 4 and 6, if more than 25% of the tree seedlings or saplings (1/4" to 4.5" DBH) within a specified portion of the sale area are damaged, liquidated damages will be assessed at \$300 per acre for all acreage within that specified portion of the sale area that was damaged.

No damage is acceptable to merchantable trees. Within the sale area, if more than 5% 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.

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 used to close roads. If there is excess slash after closing roads, it shall be dispersed throughout the sale or chipped, utilized or otherwise removed from the sale.

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.

4.1.5 - Culverts (9/11)

Roads may require the installation of culverts for cross drainage or at natural drainage-ways. If culverts are needed in these locations, their placement will be specified by the sale administrator and they shall be installed prior to hauling. The culverts shall be new, corrugated metal gauge. Culvert size and any other specifications shall be determined by the Unit Manager or His/Her representative. If culverts are removed, fill shall be removed from wetland soils as specified. Soils shall be maintained and left in a non-erodible condition, with water bars, seed, fertilizer, mulch, and slash installed as directed by the sale administrator and as specified in the BMP manual. Stream crossing permits, if needed, will be obtained by the DNR. A culvert will be required to cross the ditch along Cedar Lake Road into Payment Unit 1. See map for location.

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 used to close roads, utilized, or scattered into the cutting area, and not left in windrows. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Stumps shall be used to close roads wherever possible. 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. Some existing roads may also need to be closed, see the timber sale map for locations. Stumps and brush must be placed along the trail in a manner that renders the road(s) impassable to two wheel drive vehicles.

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.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning or resuming operations in each Payment Unit. All Payment Units may be adressed in a single or in multiple pre-sale conferences. The Unit Manager or his/her representative must be contacted at least 2 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 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 10 feet back from the blue or red paint line.

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

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1, 3, 4 and 5, unless approved by the Unit Manager or his/her representative, cutting and skidding are limited to the period of 07/15 to 09/30 and to the period of 01/01 to 03/15. This restriction is because of seasonal wet soil conditions.

5.2.3.11 - Coppice regeneration protection (4/10)

Timber harvesting in Payment Units 1, 2, 3 and 5 must be completed before significant aspen sprouting occurs in those Payment Units so as to minimize damage to the new regeneration. Any post harvest operations, such as chipping, must be completed before sprouting of regeneration occurs. If it is anticipated that chipping will be delayed, then tops shall be carried to one central location or left unchipped. The Unit Manager or his/her representative may cease such operations if sprouting occurs before the operation is complete.

5.2.4 - Dead and Down Creation

5.2.4.3 - Dead and down creation, dead trees (6/07)

Except as provided for in General Condition and Requirement 5.2.2, no dead trees, standing or down, are to be cut, skidded, or processed. EXCEPTION: All standing dead trees within 50' of Cedar Lake Road and Mohawk Trail shall be cut. These trees may be utilized (see 2.1.15).

5.2.32 - Decking/landing restoration (9/11)

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. Piles and/or windrows of soil shall be spread out to a depth of no more than four (4) inches. Slash shall be spread evenly over the landing or scattered into the sale unit. Contact the Sale Administrator for specific directions.

5.2.40 - Pathway protection (10/10)

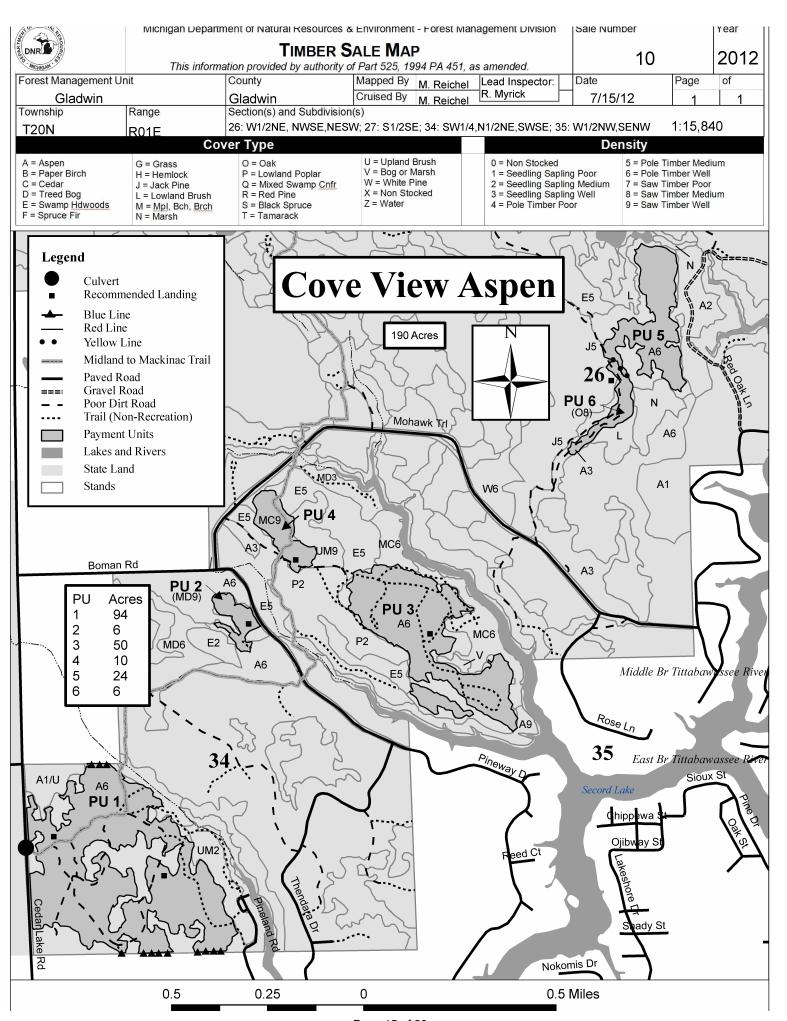
The Midland to Mackinac ("Boy Scout") Trail is a hiking trail and is shown on the Timber Sale Map. Do not cut trees or damage posts with blue pathway markers or blue paint blazes. Do not run equipment down the pathway. Maintain a 20-foot wide slash, debris, and rut free zone daily, using the pathway as the centerline. EXCEPTION: A portion of the trail in Payment Unit 1 may be used to haul wood from a landing (see map) and as a skid trail. The pathway must be left without ruts or debris at the end of operations. Skidding across the trail may only occur in locations approved by the sale administrator.

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.

Section Name: Sale Specific Current as of 8/30/2012 4:05:57PM



BID FORM

SANFORD LAKE SELECTION (73-009-12-01)

T15N, R01W, SEC. 02; T15N, R01W, SEC. 03; T15N, R01W, SEC. 10; T15N, R01W, SEC. 11, Midland County

In response to the notice of sale to be held 11:00 a.m. (local time) on September 26, 2012, 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 L | JNITS* AD' | VERTISED PRICE | BID PRICE | |
|--------------------|-------------|------------|----------------|------------------|--------|
| Sawlogs | | | | | |
| Mixed Oak | 209.90 M | IBF \$ | 132.00 / MBF | \$ | / MBF |
| Red Maple | 108.00 M | IBF \$ | 85.00 / MBF | \$ | / MBF |
| White Oak | 79.20 M | IBF \$ | 59.00 / MBF | \$ | / MBF |
| White Pine | 65.60 M | IBF \$ | 94.00 / MBF | \$ | / MBF |
| Pulpwood | | | | | |
| Mixed Oak | 655.00 C | ords \$ | 14.00 / Cord | \$ | / Cord |
| Red Maple | 669.00 C | ords \$ | 10.15 / Cord | \$ | / Cord |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$9,878.30:

| PRODUCTS & SPECIES | <u>ESTIMATEI</u> | D UNITS* | AD' | VERTISED PRICE |
|--------------------|------------------|----------|-----|----------------|
| Sawlogs | | | | |
| Mixed Pine | 31.70 | MBF | \$ | 82.00 / MBF |
| Pulpwood | | | | |
| Mixed Aspen | 132.00 | Cords | \$ | 17.20 / Cord |
| Mixed Hardwood | 52.00 | Cords | \$ | 20.00 / Cord |
| Mixed Pine | 58.00 | Cords | \$ | 25.80 / Cord |
| White Ash | 107.00 | Cords | \$ | 10.25 / Cord |
| White Pine | 159.00 | Cords | \$ | 8.65 / Cord |
| | | | | |

^{*} The total volume is statistically estimated within plus (+) or minus (-) 10.07 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.

| | | L OLCONITT NOMBLIN. | | | | |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Company or individual bidding: | | | | | | |
| Company representative's name: | | | | | | |
| Address: | | | | | | |
| City: | State: | Zip: | | | | |
| IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX. | | | | | | |
| Individual or company representative's signature: Date: | | | | | | |
| Phone number : Email (optional): | | | | | | |
| | Company or individual biddir Company representative's na Address: City: ABLE, PLEASE PLACE THE I | Company or individual bidding: Company representative's name: Address: City: State: ABLE, PLEASE PLACE THE PERSONALIZED LABE If or company representative's signature: | Company or individual bidding: Company representative's name: Address: City: State: Zip: ABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPE I or company representative's signature: | Company representative's name: Address: City: State: Zip: ABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX. I or company representative's signature: Date: | | |



Title

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: | |

| • | 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: | | | | |
| 1. | . My business is organized as (you must check <u>one</u> of the boxes below): | | | | |

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

| | A. Sole Proprietorship (individual) | | | | |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | B. Partnership | | | | |
| | C. Corporation | | | | |
| | | | | | |
| 2. | 2. You must check <u>one</u> of the boxes below: | | | | |
| | A. I certify that my business is a sol Worker's Compensation Laws. | e proprietorship and it | has no employees but the sole proprietor. I am not subject to the | | |
| | Notice of Exclusion (BWC-337, F | ev. 5/96). I will provid | the Worker's Compensation Act through the use of an approved le a copy of the Notice of Exclusion within 21 days of the contract e call the Worker's Compensation Bureau at 517-322-1195). | | |
| | C. ☐ I certify that my business has a V days of the contract award. | orker's Compensation | n Policy. I will provide an original Certificate of Insurance within 21 | | |
| 3. | 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 | | |
| Vam | ne of Business | | Federal ID (or) Social Security No. | | |
| الماما | dress | | Telephone | | |
| \aa | iress | | Telephone () | | |
| City | | State | ZIP | | |
| | ereby certify that the above information cur in factors affecting my coverage du | | I agree to notify the Michigan DNRE of any changes that ent and future operations. | | |
| - | Signature of Owner or Authorized Representative | | | | |

Date

BID FORM

COVE VIEW ASPEN (73-010-12-01)

T20N, R01E, SEC. 26; T20N, R01E, SEC. 27; T20N, R01E, SEC. 34; T20N, R01E, SEC. 35, Gladwin County

In response to the notice of sale to be held 11:00 a.m. (local time) on September 26, 2012, 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.

| ADVERTISED PRICE | BID PRICE | |
|------------------|----------------|-----------------------|
| | | |
| \$ 54.00 / MBF | \$ / M | BF |
| | | |
| \$ 19.20 / Cord | \$ / Co | ord |
| | \$ 54.00 / MBF | \$ 54.00 / MBF \$ / M |

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$13,413.68:

| PRODUCTS & SPECIES | ESTIMATED UNITS* | | ADV | ADVERTISED PRICE | |
|--------------------|------------------|-------|-----|------------------|--|
| Sawlogs | | | | | |
| Mixed Oak | 16.50 | MBF | \$ | 119.00 / MBF | |
| Red Maple | 29.40 | MBF | \$ | 84.00 / MBF | |
| Red Pine | 15.70 | MBF | \$ | 153.00 / MBF | |
| Pulpwood | | | | | |
| Mixed Oak | 57.00 | Cords | \$ | 15.80 / Cord | |
| Red Maple | 197.80 | Cords | \$ | 14.85 / Cord | |
| Red Pine | 39.00 | Cords | \$ | 45.55 / Cord | |
| White Pine | 62.00 | Cords | \$ | 15.55 / Cord | |
| | | | | | |

^{*} The total volume is statistically estimated within plus (+) or minus (-) 7.73 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 SE | CURITY NUMBER: | | |
|-----------|--------------------------------------|-------------------|-------------------------|----------------|---|
| | Company or individual bidding: | | | | |
| | Company representative's name: | | | | |
| | Address: | | | | |
| | City: | State: | Zip: | | |
| F AVAIL | ABLE, PLEASE PLACE THE PERSO | NALIZED LABEL FRO | OM YOUR PROSPECTUS IN T | THE ABOVE BOX. | |
| ndividual | or company representative's signatur | re: | | Date: | _ |
| Phone nu | ımber : | Emai | (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.

Signature of Owner or Authorized Representative

Title

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 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: | | | | |
| 1. | My business is organized as (you must check <u>one</u> of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation | | | | |
| 3. | A. ☐ I certify that my business is a sole proprietorship and it has no employees but the sol Worker's Compensation Laws. B. ☐ I certify that my business has satisfied its obligation to the Worker's Compensation Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion (For questions or a copy of the BWC-337, please call the Worker's Compensa C. ☐ I certify that my business has a Worker's Compensation Policy. I will provide an original days of the contract award. | Act through the use of an approved lusion within 21 days of the contract tion Bureau at 517-322-1195). nal Certificate of Insurance within 21 e and part-time employees, other | | | |
| | Full-time Employees | Part-time Employees | | | |
| Nam | Name of Business Federal ID (or) Social Security No | | | | |
| Add | Address Telephone () | | | | |
| City | City State ZIP | | | | |
| | I hereby certify that the above information is true and correct. I agree to notify the Michigoccur in factors affecting my coverage during any of my present and future operations. | gan DNRE of any changes that | | | |

Date