

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #4680

SCHEDULED SALE DATE AND TIME: 11:00 a.m. (local time) on August 22, 2012. LOCATION: GRAYLING MGMT UNIT, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738.

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

<u>DEUCE DEUCE</u> (72-003-12-01) / T27N, R01W, SEC. 24, W1/2NW, NWSW, N1/2NE, SESE. Crawford County, Advertised Price \$14,459.50, 60.0 Acres

SALE NOTE: 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.

THE 18 YR CUT (72-609-12-01) / T27N, R02W, SEC. 25, NWNE, NENW, NWNW, SWNW. Crawford County, Advertised Price \$23,378.35, 70.0 Acres

SALE NOTE: 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.

FIRST SALE JACK PINE (72-028-11-01) / T27N, R02E, SEC. 04, NWSW, SWNW. T27N, R02E, SEC. 05, NE1/4, NESE.

Oscoda County, Advertised Price \$73,301.80, 89.0 Acres

SALE NOTE: 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, GRAYLING OFFICE, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738, no later than 11:00 a.m. (local time) on August 22, 2012. For further information concerning this sale, contact Susan Thiel at 989-348-6371 extension 7440.

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.

RODNEY STOKES Director

TIMBER SALE INFORMATION

DEUCE DEUCE (72-003-12-01)

T27N, R01W, SEC. 24.

Crawford County (Advertised Price \$14,459.50)

SALE NOTE: 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:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>AD\</u>	/ERTISED PRICE
Sawlogs			
Mixed Oak	36.70 MBF	\$	107.00 / MBF
Red Pine	14.80 MBF	\$	105.00 / MBF
Pulpwood			
Jack Pine	98.00 Cords	\$	16.20 / Cord
Mixed Aspen	121.00 Cords	\$	11.60 / Cord
Mixed Oak	288.00 Cords	\$	11.35 / Cord
Red Pine	84.00 Cords	\$	28.30 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$341.40:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADVI</u>	ERTISED PRICE
Pulpwood			
Red Maple	28.00 Cords	\$	6.30 / Cord
White Pine	30.00 Cords	\$	5.50 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 12.74 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 \$1,000.00 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	21%
02	21%
03	21%
04	37%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 02/24/2014.

Sale Specific Conditions & Requirements

Sale Name: Deuce Deuce Sale Number: 72-003-12-01

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 red paint. Exterior sale boundary lines against state are marked with red paint. Do not cut painted boundary line trees unless also marked with orange paint. The North boundary line for Unit 4 is a designated unpainted two track running West from Walsh Road. The Payment Unit boundary separating payment unit 1 and 2 is painted in red paint. Retention islands are delinated by green paint, do not cut trees within or allow equipment into the retention island. Do not cut individual trees painted with green or pink painted trees. Red painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1 and 4, cut all 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. In addition, do not cut individually green marked trees in Unit 1 and islands delinated with green paint in unit 3.

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

Within Payment Unit(s) 4, cut all trees which meet minimum piece specifications in 2.2 Utilization except do not cut trees less than 6" DBH. In addition, do not cut trees marked with pink paint and do not enter retention islands delinated with green paint.

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

Within Payment Unit(s) 2, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition, all jack and oak are designated for harvest regardless of merchantability.

2.1.11 - Description of timber note (2/04)

Note that THIS SALE WILL HAVE A CONTRACT LENGTH OF ONLY 18 MONTHS NO EXTENSIONS!

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 12 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH.

2.2.8 - Utilization and removal (2/11)

All products meeting standards set forth in 2.2 Utilization must be removed from the sale area. Retain on site no more than 1/6 of the slash from harvested trees (tree tops and limbs less than four inches in diameter).

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 \$100.00 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 chipped, utilized or dispersed within the sale.

4.1.11 - Permits (5/07)

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

4.1.12 - No new roads (6/10)

No new roads will be permitted in any Payment Unit unless approved by the unit manager or her/his representative. Roads from past sale operations along with existing forest roads should provide ample access. It will be determined by the sale administrator at the end of the sale operations whether or not any of the existing roads should be closed. All operations are limited to existing roads.

4.2 - Maintenance

4.2.5 - Two wheel drive condition (2/04)

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

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 5 days in advance to schedule the conference.

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 red paint line.

5.2.1.8 - Slash height (12/08)

No slash may exceed 24 inches in height.

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

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 2, unless changed by written agreement, cutting and skidding are not permitted during the period of April 15 to July 15. This restriction is because of bark slippage.

5.2.3.4 - Oak wilt restriction (6/10)

Within Payment Unit(s) 4 unless changed by written agreement, cutting and skidding are not permitted during the period of April 15 to July 15. This is necessary to reduce the spread of oak wilt. For more information, contact the Unit Manager or his/her representative.

5.2.29 - Shrub protection (9/07)

Do not cut or damage hawthorn, witch-hazel, dogwood or juneberry. These woody-shrub plants are highly beneficial to various wildlife species.

5.2.37 - No decking areas (12/08)

No decking is allowed within 50 feet of North Down River Road or Walsh Rd or Hideaway Dr without permission of the Unit Manager or his/her representative.

5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

5.4 - Soil Protection

5.4.7 - Rutting restriction, Riparian Management Zone (RMZ) (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of skid trails which is 6 inches or greater in depth and 25 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.

5.8 - Protection of Endangered Species

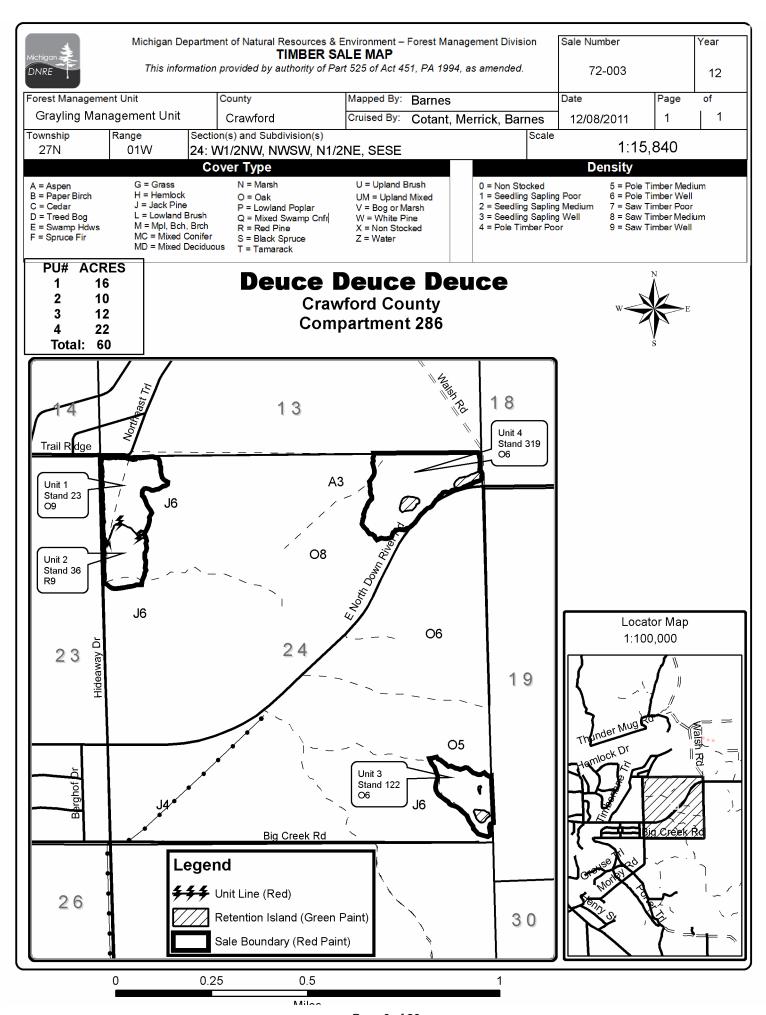
5.8.1 - Kirtland's warbler (1) (2/04)

This sale is adjacent to a young jack pine stand which may be used by the endangered Kirtland's Warbler. The Department reserves the right to temporarily restrict all harvesting operations in a buffer zone of up to 500 feet if it is determined that Warbler territory has been established in the adjacent stand. The restricted period, if put into effect, would apply from May 1st to August 30th. This applies to Units 1, 2 and 3.

5.8.5 - Protection of raptor nests (4/09)

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.

Section Name: Sale Specific Current as of 6/15/2012 5:09:29PM



TIMBER SALE INFORMATION

THE 18 YR CUT (72-609-12-01)

T27N, R02W, SEC. 25.

Crawford County (Advertised Price \$23,378.35)

SALE NOTE: 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*	AD\	/ERTISED PRICE
Sawlogs			
B. T. Aspen	84.30 MBF	\$	42.00 / MBF
Mixed Oak	26.60 MBF	\$	118.00 / MBF
Pulpwood			
B. T. Aspen	390.00 Cords	\$	21.35 / Cord
Mixed Oak	203.00 Cords	\$	15.70 / Cord
Red Pine	70.00 Cords	\$	35.05 / Cord
White Oak	262.00 Cords	\$	7.40 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$793.05:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	<u>'ERTISED PRICE</u>
Pulpwood			
Jack Pine	26.00 Cords	\$	17.85 / Cord
Red Maple	43.00 Cords	\$	7.65 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 14.54 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 \$1,200.00 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	39%
02	46%
03	15%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 08/25/2014.

Sale Specific Conditions & Requirements

Sale Name: The 18 Yr Cut Sale Number: 72-609-12-01

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 red and yellow 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 are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1, 2 and 3, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. All aspen species, red maple and jack pine are also designated for removal. Oak species are also designated for removal in Unit 2.

2.1.15 - Hazard trees near roads (9/11)

Cut and remove all standing dead trees within 100 feet of the cleared portion of designated county roads. These cut snags may be utilized.

2.2 - Utilization

2.2.2 - Chipping required (1/11)

This area must be chip harvested to meet National Guard requirements. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. Products may be produced as roundwood and forwarded to decking areas in final product length, but the tops must be left intact and skidded to the landing for chipping in order to minimize the amount of residual slash left in Military training areas. The requirement to retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter does not apply (G. C. & R. 2.2). This is because military training area.

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 6 inches for all trees. This is in order to facilitate military requirements.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 1 & 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 (6/05)

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 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 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

4.1.3 - 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 chipped, utilized or otherwise removed from the sale.

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. Stumps and brush must be placed along the remainder of the trail. 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.

4.1.11 - Permits (5/07)

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

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

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

5.1.5 - National Guard notification (2/10)

This sale is upon Military Board Lands that are administrated by the Michigan National Guard - Camp Grayling. A minimum of five (5) business days prior to opening this sale, the producer must request that the sale administrator contact the military for information regarding training plans that may impact sale operations.

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 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

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 2, unless changed by written agreement, cutting and skidding are not permitted during the period of April 15 to July 15. This restriction is because of bark slippage.

5.2.3.4 - Oak wilt restriction (6/10)

Within Payment Unit(s) 1 & 3 unless changed by written agreement, cutting, skidding, and hauling are not permitted during the period of April 15 to July 15. This is necessary to reduce the spread of oak wilt. For more information, contact the Unit Manager or his/her representative.

5.2.3.7 - National Guard training restriction (1/09)

Operations on this contract may not be allowed during National Guard training operations. Typically, the restricted period is from May 1 to October 31. The contractor must check with the Unit Manager who will coordinate the cutting schedule with the Military. All harvest equipment and timber products must be removed from the sale area during the period of May 1 to October 31.

5.2.29 - Shrub protection (9/07)

Do not cut or damage hawthorn, witch-hazel, dogwood or juneberry. These woody-shrub plants are highly beneficial to

various wildlife species.

5.2.37 - No decking areas (12/08)

No decking is allowed within 50 feet of North Down River Road without permission of the Unit Manager or his/her representative.

5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

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.

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 Goss Parkway and North Down River Road prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. If the purchaser is not provided signs by the Unit then the purchaser's sign must be approved by the sale administrator.

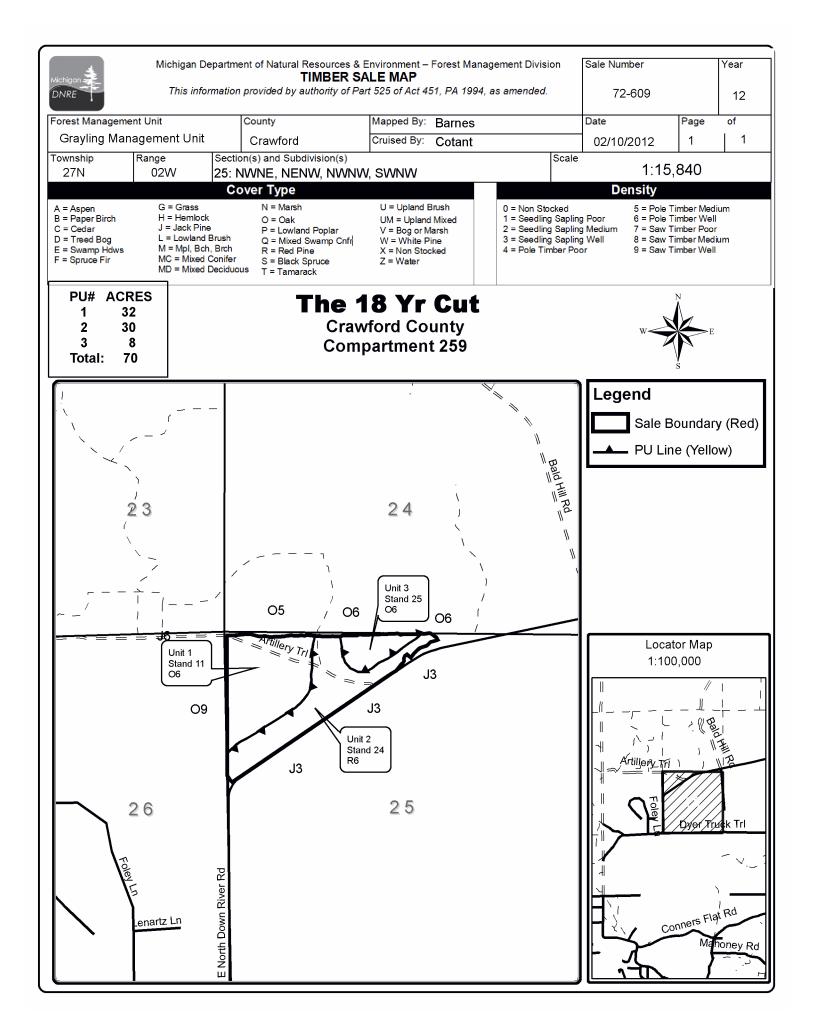
7 - Other Conditions

7.10 - Certified Timber

7.10.1 - Non-certified timber (12/05)

The area encompassed by this timber sale is not certified to the standards of the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI). Forest products from this sale may not be delivered to the mill as "FSC and / or SFI certified". The lands within this sale are managed for military training.

Section Name: Sale Specific Current as of 6/15/2012 4:22:44PM



TIMBER SALE INFORMATION

FIRST SALE JACK PINE (72-028-11-01)

T27N, R02E, SEC. 04; T27N, R02E, SEC. 05.

Oscoda County (Advertised Price \$73,301.80)

SALE NOTE: 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			
Red Pine	181.50 MBF	\$	170.00 / MBF
Pulpwood			
Jack Pine	763.00 Cords	\$	27.25 / Cord
Q. Aspen	221.00 Cords	\$	22.05 / Cord
Red Pine	300.00 Cords	\$	32.95 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$6,897.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>AD\</u>	/ERTISED PRICE
Sawlogs			
Jack Pine	90.60 MBF	\$	39.00 / MBF
Mixed Oak	12.50 MBF	\$	132.00 / MBF
Pulpwood			
Black Cherry	12.00 Cords	\$	2.85 / Cord
Mixed Oak	75.00 Cords	\$	20.70 / Cord
Red Maple	27.00 Cords	\$	4.70 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 10.35 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 \$3,700.00 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	45%
02	39%
03	16%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 08/25/2014.

Sale Specific Conditions & Requirements

Sale Name: First Sale Jack Pine Sale Number: 72-028-11-01

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 red and yellow paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Penn Rd serves as an unpainted boundary line between units 2 & 3. Do not cut painted boundary line trees. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid. Green painted trees designate retention islands, do not enter retention islands with equipment.

Along the northern and southern sale boundaries remove red painted boundary trees next to the O3 and A2 cover types as referenced on the sale map.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (4/09)

Within Payment Unit(s) 1, 2 and 3, cut all trees that are 2 inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability. DO NOT CUT Retention island within the sale area. Retention islands are bound by green paint and shown on Timber Sale Map.

2.2 - Utilization

2.2.2 - Chipping required (1/11)

This sale must be chip harvested to facilitate subsequent planting operations. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. The requirement to retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter does not apply (G. C. & R. 2.2). This is because there is adequate down woody debris present on the site.

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 6 inches for all trees. This is in order to facilitate planting operations.

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.

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 chipped, utilized or dispersed within the sale.

4.1.7 - Road closure (4/07)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. In general, this may require constructing a berm of stumps and logs covered with earth or scattering slash along a portion of the road to prohibit vehicle entry. Contact the sale administrator for specific details of design and placement.

4.1.11 - Permits (5/07)

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

4.2 - Maintenance

4.2.5 - Two wheel drive condition (2/04)

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

sale.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (12/08)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 5 days in advance to schedule the conference.

5.1.4 - Post-sale conference (9/09)

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

5.2.37 - No decking areas (12/08)

No decking is allowed within 50 feet of county roads or within 20 feet of ORV Trails without permission of the county road commission or the Unit Manager or his/her representative.

5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

5.2.39 - ORV trail/route protection (1/09)

The Mio Loop ORV trail and Mio ORV route are shown on the Timber Sale Map. Do not cut trees or damage posts with orange ORV markers. Maintain a 20 foot wide slash, debris, and rut free zone daily using the ORV trail or route as the centerline. Do not run equipment down the ORV trail or route. Skidding across the trail or route 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.

6 - Safety and Fire Prevention

6.2 - Signing

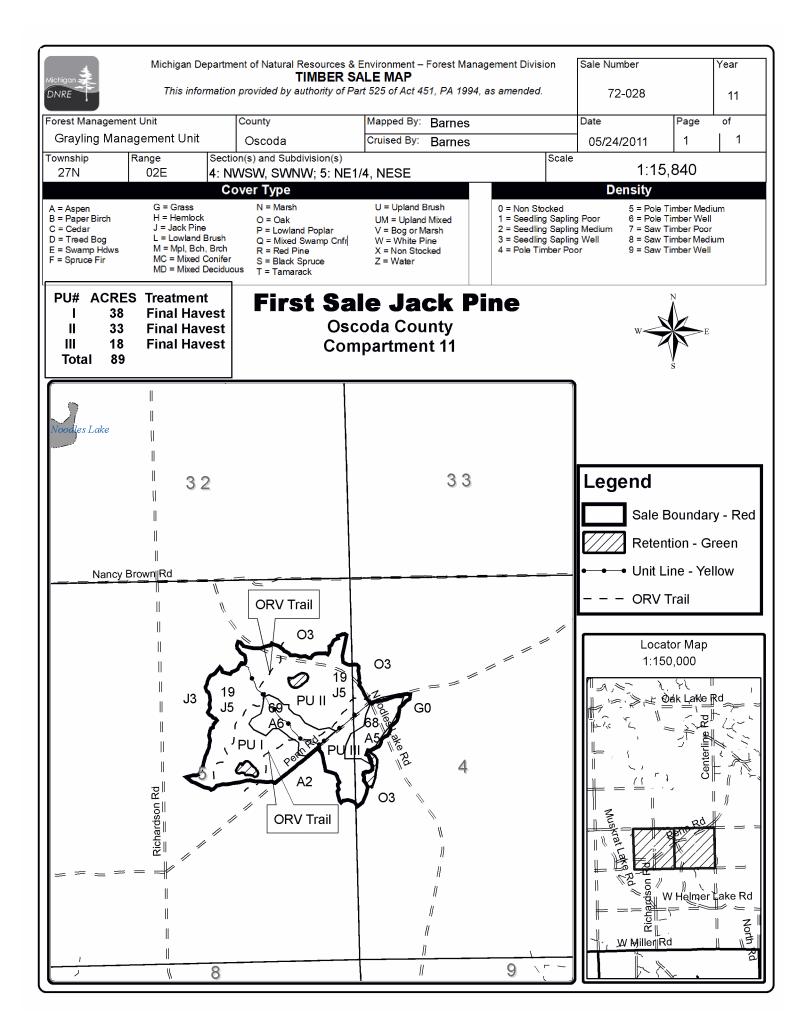
6.2.1 - Road posting (9/09)

The purchaser is responsible for posting and maintaining caution signs on Penn and Noddles Lake Rd prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. If the purchaser is not provided signs by the Unit then the purchaser's signs must be approved by the sale administrator.

6.2.3 - Recreational trail posting (2/10)

The Purchaser is responsible for posting and maintaining caution signs on the Mio Loop ORV Trail and Mio ORV Route prior to beginning operations. The trail must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic at both ends of the trail. Signs must be removed when harvest operations are suspended or completed. If the purchaser is not provided signs by the Unit then the purchaser's signs must be approved by the sale administrator.

Section Name: Sale Specific Current as of 2/10/2012 3:01:27PM



BID FORM

<u>DEUCE DEUCE DEUCE (72-003-12-01)</u> T27N, R01W, SEC. 24, Crawford County

In response to the notice of sale to be held 11:00 a.m. (local time) on August 22, 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	ESTIMATE	D UNITS*	AD\	/ERTISED PRICE	BID PRICE	
Sawlogs						
Mixed Oak	36.70	MBF	\$	107.00 / MBF	\$	_ / MBF
Red Pine	14.80	MBF	\$	105.00 / MBF	\$	_ / MBF
Pulpwood						
Jack Pine	98.00	Cords	\$	16.20 / Cord	\$	/ Cord
Mixed Aspen	121.00	Cords	\$	11.60 / Cord	\$	/ Cord
Mixed Oak	288.00	Cords	\$	11.35 / Cord	\$	/ Cord
Red Pine	84.00	Cords	\$	28.30 / Cord	\$	/ Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$341.40:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADV	ERTISED PRICE
Pulpwood			
Red Maple	28.00 Cords	\$	6.30 / Cord
White Pine	30.00 Cords	\$	5.50 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 12.74 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 SOCIA	AL SECURITY NUMBER	:
	Company or individual b	idding:		
	Company representative	's name:		
	Address:			
	City:	State:	Zip:	
F AVAIL	ABLE, PLEASE PLACE T	HE PERSONALIZED LABE	L FROM YOUR PROSP	ECTUS IN THE ABOVE BOX.
	•	HE PERSONALIZED LABE		



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 sale contract.	days of contract award and prior to the issuance of the timber					
•	In addition, if boxes 2B or 2C are checked, then Notice of Exc days of the contract award and prior to the issuance of the tir	Exclusion or Certificate of Insurance must be submitted within 21 timber sale contract.					
•	All Information must be typed or printed except for written signatures.						
Ple	ease Check Appropriate Categories:						
1.	My business is organized as (you must check <u>one</u> of the base) A. ☐ Sole Proprietorship (individual) B. ☐ Partnership C. ☐ Corporation	oxes below):					
2.	You must check one of the boxes below:						
	 I certify that my business is a sole proprietorship and it I Worker's Compensation Laws. 	nas no employees but the sole proprietor. I am not subject to the					
	Notice of Exclusion (BWC-337, Rev. 5/96). I will provide	the Worker's Compensation Act through the use of an approved a copy of the Notice of Exclusion within 21 days of the contract call the Worker's Compensation Bureau at 517-322-1195).					
	 C. I certify that my business has a Worker's Compensation days of the contract award. 	Policy. I will provide an original Certificate of Insurance within 21					
3.	If you have checked item 2(A) or 2(B), you must indicate than yourself, including family members and active partner	ne number of both full-time and part-time employees, other s (if none, you must enter "0").					
	Full-time Employees	Part-time Employees					
Nam	ne of Business	Federal ID (or) Social Security No.					
Addr	iress	Telephone ()					
City	State	ZIP					
I he	ereby certify that the above information is true and correct.	I agree to notify the Michigan DNRE of any changes that					

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

Date

occur in factors affecting my coverage during any of my present and future operations.

Signature of Owner or Authorized Representative

Title

TIMBER SALE / SEALED BID STATE OF MICHIGAN / DNR

BID FORM

THE 18 YR CUT (72-609-12-01) T27N, R02W, SEC. 25, Crawford County

In response to the notice of sale to be held 11:00 a.m. (local time) on August 22, 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	<u>ESTIMATE</u>	O UNITS*	TS* ADVERTISED PRICE		BID PRI	<u>CE</u>
Sawlogs						
B. T. Aspen	84.30	MBF	\$	42.00 / MBF	\$	/ MBF
Mixed Oak	26.60	MBF	\$	118.00 / MBF	\$	/ MBF
Pulpwood						
B. T. Aspen	390.00	Cords	\$	21.35 / Cord	\$	/ Cord
Mixed Oak	203.00	Cords	\$	15.70 / Cord	\$	/ Cord
Red Pine	70.00	Cords	\$	35.05 / Cord	\$	/ Cord
White Oak	262.00	Cords	\$	7.40 / Cord	\$	/ Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$793.05:

PRODUCTS & SPECIES	ESTIMATED UNITS*	AD\	ADVERTISED PRICE		
Pulpwood					
Jack Pine	26.00 Cords	\$	17.85 / Cord		
Red Maple	43.00 Cords	\$	7.65 / Cord		

^{*} The total volume is statistically estimated within plus (+) or minus (-) 14.54 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 SEC	:URITY NUMBER:					
	Company or individual bidding:							
	Company representative's name:							
	Address:	_						
	City:	State:	Zip:					
F AVAIL	F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.							
Individual or company representative's signature: Date:					_			
Phone nu	one number : Email (optional):							



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:

	VERIFICATION OF WO	RKER'S DISABIL	ITY CO	VIPE	ENSATION 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 e	except for written s	ignature	S .			
PΙε	ease Check Appropriate Categories:						
1.	 My business is organized as (you must check <u>one</u> of the boxes below): A. Sole Proprietorship (individual) Partnership 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), y than yourself, including family members				er of both full-time and part-time employees, other you must enter "0").		
	Full-time Er	mployees			Part-time Employees		
Nam	ne of Business		Federal I	D (or)	or) Social Security No.		
Add	ress		Telephor))			
City		State	ZIP				
000	ereby certify that the above information is our in factors affecting my coverage during Signature of Owner or Authorized Representative				notify the Michigan DNRE of any changes that ure operations.		

Date

BID FORM

FIRST SALE JACK PINE (72-028-11-01) T27N, R02E, SEC. 04; T27N, R02E, SEC. 05, Oscoda County

In response to the notice of sale to be held 11:00 a.m. (local time) on August 22, 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 UNITS*	AD\	/ERTISED PRICE	BID PF	RICE
Sawlogs					
Red Pine	181.50 MBF	\$	170.00 / MBF	\$	/ MBF
Pulpwood					
Jack Pine	763.00 Cords	\$	27.25 / Cord	\$	/ Cord
Q. Aspen	221.00 Cords	\$	22.05 / Cord	\$	/ Cord
Red Pine	300.00 Cords	\$	32.95 / Cord	\$	/ Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$6,897.00:

PRODUCTS	<u>& SPECIES</u>	ESTIMATED UNITS*		<u>ADV</u>	ERTISED PRICE
Sawlogs					
Jack Pin	е	90.60	MBF	\$	39.00 / MBF
Mixed Oa	ak	12.50	MBF	\$	132.00 / MBF
Pulpwood					
Black Ch	erry	12.00	Cords	\$	2.85 / Cord
Mixed Oa	ak	75.00	Cords	\$	20.70 / Cord
Red Map	ole	27.00	Cords	\$	4.70 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 10.35 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 SECT	JRITY NUMBER:					
	Company or individual bidding:							
	Company representative's name:							
	Address:							
	City:	State:	Zip:					
F AVAIL	F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.							
ndividual	ndividual or company representative's signature: Date:							
Phone nu	ımber ·	optional):						



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:

	VERIFICATION OF WOR	RKER'S DISABIL	ITY COMPENS	NSATION 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	ease Check Appropriate Categories:							
1.	 My business is organized as (you must check one of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation 							
2.	 You must check one of the boxes below: A. 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. 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. 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. 							
	 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 							
Nam	ne of Business		Federal ID (or) So	Social Security No.				
Addı	ress		Telephone ()					
City		State	ZIP					
000	ereby certify that the above information is our in factors affecting my coverage during Signature of Owner or Authorized Representative			otify the Michigan DNRE of any changes that operations.				

Date