

## DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

#### **TIMBER SALE PROSPECTUS #4809**

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on January 23, 2013. LOCATION: CRYSTAL FALLS MGT UNIT, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920.

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

FOOTHILL ASPEN (12-064-12-01) / T44N, R29W, SEC. 19, W1/2NW, NWSW.

T44N, R30W, SEC. 24, SE1/4, SENE.

Dickinson County, Advertised Price \$73,327.70, 108.0 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.

WHOVILLE ASPEN (12-068-12-01) / T40N, R29W, SEC. 02, SWSW.

T40N, R29W, SEC. 11, NW1/4, NWSW.

Dickinson County, Advertised Price \$19,279.00, 53.0 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.

LONG BILL (12-071-12-01) / T40N, R29W, SEC. 14, S1/2, S1/2NW1/4.

Dickinson County, Advertised Price \$56,155.90, 119.0 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. 10/18/2012):

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

Bids must be received by the Unit Manager, CRYSTAL FALLS OFFICE, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920, no later than 3:00 p.m. (local time) on January 23, 2013. For further information concerning this sale, contact Eric Thompson at 906-786-2354 extension 142.

#### 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 (10/12)

Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/timber. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 1 year. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove

the included timber by the 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

#### FOOTHILL ASPEN (12-064-12-01)

T44N, R29W, SEC. 19; T44N, R30W, SEC. 24.

Dickinson County (Advertised Price \$73,327.70)

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>ADV</u> | ERTISED PRICE |
|--------------------|------------------|------------|---------------|
| Pulpwood           |                  |            |               |
| Mixed Aspen        | 1,665.00 Cords   | \$         | 25.15 / Cord  |
| Mixed Hardwood     | 937.00 Cords     | \$         | 21.65 / Cord  |
| Mixed Softwood     | 287.00 Cords     | \$         | 23.70 / Cord  |
| Red Oak            | 291.00 Cords     | \$         | 15.00 / Cord  |

<sup>\*</sup> 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                  | 42%                         |
| 02                  | 30%                         |
| 03                  | 28%                         |
|                     |                             |

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2014.

#### **Sale Specific Conditions & Requirements**

Sale Name: Foothill Aspen Sale Number: 12-064-12-01

#### 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 and interior payment unit boundaries are marked with red paint. Do not cut painted boundary line trees until payment units on both sides have been paid for.

#### 2 - Timber Specifications

#### 2.1 - Included Timber

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

Within Payment Unit(s) 1, 2 and 3, cut all aspen and mixed hardwood 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, except oak.

In addition to aspen and hardwood, cut all spruce, balsam, tamarack and jackpine with a stump diameter of 6" or more. No red and white pine, cedar or hemlock are to be cut. In Payment Unit 1, all oak with a stump diameter of 6" or more will be cut and tops will be stacked on the stumps to protect sprouts from deer browsing. No oak will be cut in Payment Units 2 and 3.

#### 2.2 - Utilization

#### 2.2.8 - Utilization and removal (2/11)

All piles of wood chips and decks of round wood must be removed from the sale area within 60 days of the expiration of this sale.

#### 3 - Payments

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

#### 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 moved at least 10 feet back from edge of road. Stumps shall be set upright.

#### 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. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. Contact the sale administrator for specific details of design and placement.

#### 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 10 days in advance to schedule the conference.

#### 5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract

specifications.

#### 5.2 - Conduct of Operations

#### 5.2.1 - Slash

#### 5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the red paint line.

#### 5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 36 inches in height. Residual chip piles must be spread out and not exceed 4 inches in depth.

#### 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.

#### 5.2.38 - 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.

#### 5.4.6 - Wet area protection (5/10)

No harvesting operations, including skidding and felling, are to take place within vernal pond areas. Care must be taken by the purchaser to identify and avoid operating in these areas of the timber sale.

#### 7 - Other Conditions

#### 7.2 - Extensions

#### 7.2.1 - One year extension (2/04)

Given justification, only one, 1 year extension may be granted if the contract has been paid for in full.

Section Name: Sale Specific Current as of 6/20/2012 10:30:24AM



#### Michigan Department of Natural Resources - Forest Management TIMBER SALE MAP

This information provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER 120641201 YEAR 2012

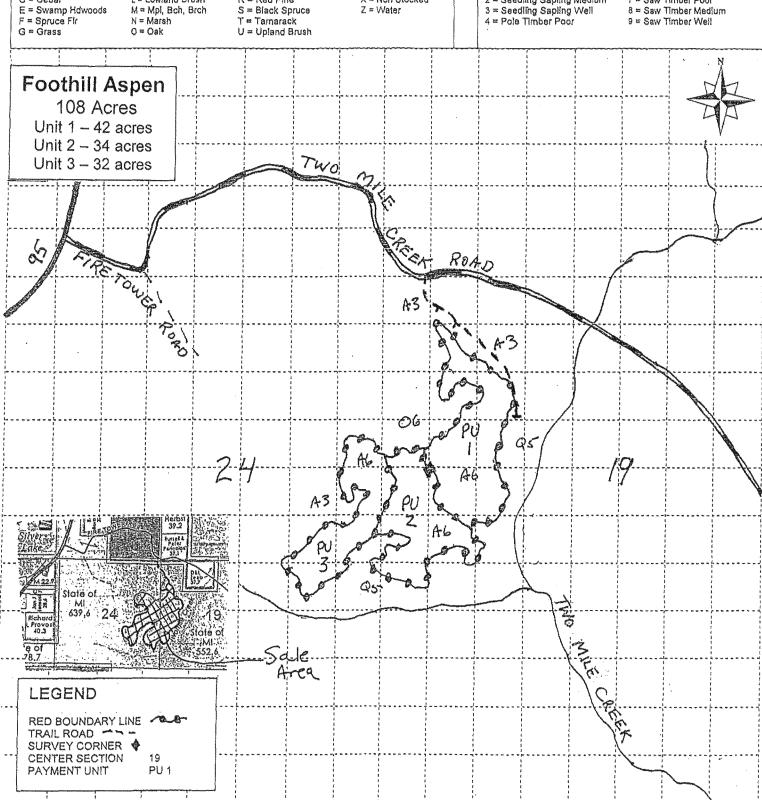
FOREST MANAGEMENT UNIT: COUNTY MAPPED BY SCOTT SEBERO DATE PAGE OF CRYSTAL FALLS Dickinson CRUISED BY SCOTT SEBERO 06/18/2012 TOWNSHIP RANGE SECTION(S) AND SUBDIVISION(S)

Scale: |.....4 inches.....| = 1 mlle 44N 29W W1/2NW, NWSW 44N 30W SE1/4, SENE Density V = Bog or Marsh W = White Pine H = Hemlock P = Lowland Poplar A = Aspen 0 = Non Stocked 5 = Pole Timber Medium

B = Paper Birch J = Jack Pine Q = Mixed Swamp Cnfr C = Cedar L = Lowland Brush R = Red Pine M = Mpl, Bch, Brch S = Black Spruce

X = Non Stocked Z = Water

1 = Seedling Sapling Poor 6 = Pole Timber Well 2 = Seedling Sapling Medium 7 = Saw Timber Poor 8 = Saw Timber Medium



#### TIMBER SALE INFORMATION

#### WHOVILLE ASPEN (12-068-12-01)

T40N, R29W, SEC. 02; T40N, R29W, SEC. 11.

Dickinson County (Advertised Price \$19,279.00)

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>ADV</u> | ERTISED PRICE |
|--------------------|------------------|------------|---------------|
| Pulpwood           |                  |            |               |
| Mixed Aspen        | 337.00 Cords     | \$         | 24.10 / Cord  |
| Mixed Hardwood     | 284.00 Cords     | \$         | 21.95 / Cord  |
| Mixed Softwood     | 229.00 Cords     | \$         | 21.50 / Cord  |

<sup>\*</sup> 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                  | 30%                         |
| 02                  | 26%                         |
| 03                  | 44%                         |
| 88                  | <del>1 1</del> /0           |

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2015.

#### Sale Specific Conditions & Requirements

Sale Name: Whoville Aspen Sale Number: 12-068-12-01

#### 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 and interior payment unit boundaries are marked with red paint. Do not cut painted boundary line trees until payment units on both sides have been paid for.

#### 2 - Timber Specifications

#### 2.1 - Included Timber

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

Within Payment Unit(s) 1, 2 and 3, cut all trees which meet minimum piece specifications in 2.2 Utilization except oak, ash, cedar, hemlock and pine.

#### 2.2 - Utilization

#### 2.2.8 - Utilization and removal (2/11)

All piles of wood chips and decks of round wood must be removed from the sale area within 60 days of the expiration of this sale.

#### 3 - Payments

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

#### 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 moved at least 10 feet back from edge of road. Stumps shall be set upright.

#### 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 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.

#### 4.1.7 - 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. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. Contact the sale administrator for specific details of design and placement.

#### 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 10 days in advance to schedule the conference.

#### 5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

#### 5.2 - Conduct of Operations

#### 5.2.1 - Slash

#### 5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the red paint line.

#### 5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 36 inches in height. Residual chip piles must be spread out and not exceed 4 inches in depth.

#### 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.

#### 5.2.38 - 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.

#### 7 - Other Conditions

#### 7.2 - Extensions

#### 7.2.1 - One year extension (2/04)

Given justification, only one, 1 year extension may be granted if the contract has been paid for in full.

Section Name: Sale Specific Current as of 8/30/2012 5:19:53PM

## DNR

### Michigan Department of Natural Resources - Forest Management TIMBER SALE MAP

This information provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER
120681201

**PAYMENT UNIT** 

PU<sub>3</sub>

YEAR 2012

COUNTY FOREST MANAGEMENT UNIT: MAPPED BY SCOTT SEBERO DATE PAGE OF CRYSTAL FALLS Dickinson CRUISED BY SCOTT SEBERO 08/30/2012 TOWNSHIP RANGE SECTION(S) AND SUBDIVISION(S) Scale: |.....4 inches.....| = 1 mile 11 NW1/4, NWSW 2 SWSW 40N : 29W Density CoverType V = Bog or Marsh W = White Pine 5 = Pole Timber Medium 6 = Pole Timber Well A = Aspen B = Paper Birch H = Hemlock P = Lowland Poplar 0 = Non Stocked 1 = Seedling Sapling Poor J = Jack Pine Q = Mixed Swamp Cnfr X = Non Stocked 2 = Seedling Sapling Medium 7 = Saw Timber Poor C = Cedar L = Lowland Brush R = Red Pine E = Swamp Hdwoods M = Mpl, Bch, Brch S = Black Spruce Z = Water 3 = Seedling Sapling Well 8 = Saw Timber Medium F = Spruce Fir N = Marsh T = Tamarack 4 = Pole Timber Poor 9 = Saw Timber Well G = Grass O = Oak U = Upland Brush Whoville Aspen 53 Acres Unit 1 - 17 acres Unit 2 - 16 acres Unit 3 - 20 acres **LEGEND RED BOUNDARY LINE** TRAIL ROAD SURVEY CORNER **CENTER SECTION** 11

#### TIMBER SALE INFORMATION

#### LONG BILL (12-071-12-01)

T40N, R29W, SEC. 14.

Dickinson County (Advertised Price \$56,155.90)

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>ADVE</u> | RTISED PRICE |
|--------------------|------------------|-------------|--------------|
| Pulpwood           |                  |             |              |
| Mixed Aspen        | 826.00 Cords     | \$          | 24.10 / Cord |
| Mixed Hardwood     | 574.00 Cords     | \$          | 21.95 / Cord |
| Mixed Softwood     | 1,100.00 Cords   | \$          | 21.50 / Cord |

<sup>\*</sup> 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 \$3,000.00 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:

|                     | re se made serere edung segme m ande dina |
|---------------------|---|
| PAYMENT UNIT NUMBER | PERCENT OF TOTAL SALE VALUE               |
| 01                  | 27%                                       |
| 02                  | 17%                                       |
| 03                  | 30%                                       |
| 04                  | 26%                                       |

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2015.

#### Sale Specific Conditions & Requirements

Sale Name: Long Bill Sale Number: 12-071-12-01

#### 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 and red paint. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state and interior payment unit boundaries are marked with red paint. Do not cut painted boundary line trees until payment units on both sides have been paid for.

#### 2 - Timber Specifications

#### 2.1 - Included Timber

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

Within Payment Unit(s) 1, 2, 3 and 4, cut all trees which meet minimum piece specifications in 2.2 Utilization except apple, oak, red or white pine, hemlock or cedar.

#### 2.2 - Utilization

#### 2.2.8 - Utilization and removal (2/11)

All piles of wood chips and decks of round wood must be removed from the sale area within 60 days of the expiration of this sale.

#### 3 - Payments

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

#### 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 moved at least 10 feet back from edge of road. Stumps shall be set upright.

#### 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.

#### 4.2 - 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 10 days in advance to schedule the conference.

#### 5.1.4 - Post-sale conference (6/11)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

#### 5.2 - Conduct of Operations

#### 5.2.1 - Slash

#### 5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the red and blue paint line.

#### 5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 36 inches in height. Residual chip piles must be spread out and not exceed 4 inches in depth.

#### 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) 4, cutting, skidding, and hauling are limited to a time when the ground is frozen or dry. This restriction is because of the potential for rutting.

#### 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.

#### 7 - Other Conditions

#### 7.2 - Extensions

#### 7.2.1 - One year extension (2/04)

Given justification, only one, 1 year extension may be granted if the contract has been paid for in full.

Section Name: Sale Specific Current as of 9/17/2012 10:53:00AM



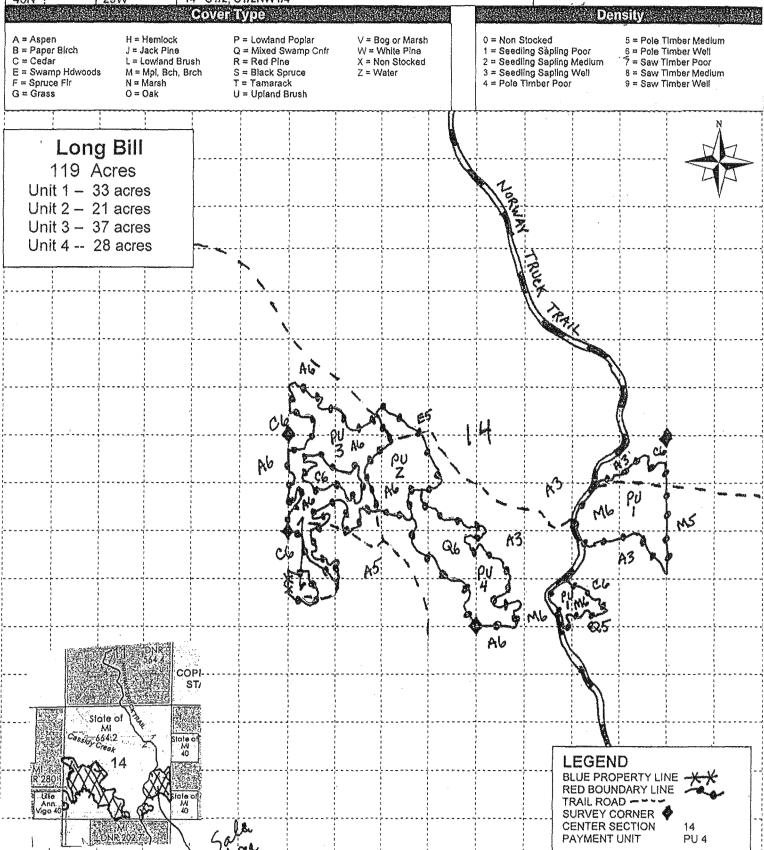
### Michigan Department of Natural Resources - Forest Management

TIMBER SALE MAP
This information provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER 120711201 YEAR 2012

FOREST MANAGEMENT UNIT: COUNTY MAPPED BY SCOTT SEBERO DATE PAGE OF CRYSTAL FALLS Dickinson CRUISED BY SCOTT SEBERO 09/17/2012 1 1

TOWNSHIP RANGE SECTION(S) AND SUBDIVISION(S)
40N: 29W 14 S1/2, S1/2NW1/4 Scale: |.....4 inches......| = 1 mile



#### **BID FORM**

CRYSTAL FALLS MANAGEMENT UNIT

CRYSTAL FALLS OFFICE

### FOOTHILL ASPEN (12-064-12-01) T44N, R29W, SEC. 19; T44N, R30W, SEC. 24, Dickinson County

In response to the notice of sale to be held 3:00 p.m. (local time) on January 23, 2013, 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.

| ESTIMATED UNITS* | ADVERTISED PRICE                               | BID PRICE  |
|------------------|--|--|
|                  | -  | · · · · · · · · · · · · · · · · · · ·  |
| 1,665.00 Cords   | \$ 25.15 / Cord                                | \$ / Cord  |
| 937.00 Cords     | \$ 21.65 / Cord                                | \$ / Cord  |
| 287.00 Cords     | \$ 23.70 / Cord                                | \$ / Cord  |
| 291.00 Cords     | \$ 15.00 / Cord                                | \$ / Cord  |
|                  | 1,665.00 Cords<br>937.00 Cords<br>287.00 Cords | 1,665.00 Cords \$ 25.15 / Cord<br>937.00 Cords \$ 21.65 / Cord<br>287.00 Cords \$ 23.70 / Cord |

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

|   | FEDERAL ID:                    | or SOCIAL SE | CURITY NUMBER: - | -     |  |
|---|--------------------------------|--------------|------------------|-------|--|
|   | Company or individual bidding: |              |                  |       |  |
|   | Company representative's name: |              |                  |       |  |
|   | Address:                       |              |                  |       |  |
|   | City:                          | State:       | Zip:             |       |  |
| F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX. |                                |              |                  |       |  |
| Individual or company representative's signature: Date:                                 |                                |              |                  | Date: |  |
| Phone nu  | mber :                         | Emai         | l (optional):    |       |  |

<sup>\*</sup> 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.



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 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.   |                           |                                 |                     |  |
| ٠    | All Information must be typed or printed except for written signatures.  |                           |                                 |                     |  |
| Ple  | ease Check Appropriate Categories:   |                           |                                 |                     |  |
| 1.   | My business is organized as (you <b>must</b> A.   Sole Proprietorship (individual)  B.   Partnership  C.   Corporation   | check <u>one</u> of the b | oxes below):                    |                     |  |
| 2.   | <ul> <li>You must check one of the boxes below:</li> <li>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.</li> <li>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).</li> <li>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.</li> </ul> |                           |                                 |                     |  |
| 3.   | If you have checked item 2(A) or 2(B), ye than yourself, including family members  |                           |                                 |                     |  |
|      | Full-time En   | nployees                  | -                               | Part-time Employees |  |
| Nam  | ne of Business   |                           | Federal ID (or) Social Security | No.                 |  |
| Addı | ress   |                           | Telephone                       |                     |  |
| City |  | State                     | ZIP                             |                     |  |
| 000  | ereby certify that the above information is<br>our in factors affecting my coverage during   |                           |                                 |                     |  |

Date

#### **BID FORM**

CRYSTAL FALLS MANAGEMENT UNIT

CRYSTAL FALLS OFFICE

#### <u>WHOVILLE ASPEN (12-068-12-01)</u> T40N, R29W, SEC. 02; T40N, R29W, SEC. 11, Dickinson County

In response to the notice of sale to be held 3:00 p.m. (local time) on January 23, 2013, 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.

| <b>ESTIMATED UNITS*</b> | ADVERTISED PRICE             | BID PRICE  |
|-------------------------|------------------------------|--|
|                         | ·                            |  |
| 337.00 Cords            | \$ 24.10 / Cord              | \$ / Cord  |
| 284.00 Cords            | \$ 21.95 / Cord              | \$ / Cord  |
| 229.00 Cords            | \$ 21.50 / Cord              | \$ / Cord  |
|                         | 337.00 Cords<br>284.00 Cords | 337.00 Cords \$ 24.10 / Cord<br>284.00 Cords \$ 21.95 / Cord |

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

|          | FEDERAL ID:               | or SOCIAL             | SECURITY NUMBER  | ER:                       |   |
|----------|---------------------------|-----------------------|------------------|---------------------------|---|
|          | Company or individual bio | dding:                |                  |                           |   |
|          | Company representative'   | s name:               |                  |                           |   |
|          | Address:                  |                       |                  |                           |   |
|          | City:                     | State:                | Zip:             |                           |   |
| F AVAIL  | ABLE, PLEASE PLACE TH     | HE PERSONALIZED LABEL | FROM YOUR PROSP  | SPECTUS IN THE ABOVE BOX. | _ |
| ndividua | or company representativ  | e's signature:        |                  | Date:                     |   |
| Phone nu | ımber :                   | E                     | mail (optional): |                           |   |
|          |                           |                       |                  |                           |   |

<sup>\*</sup> 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.



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 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.  |  |                                     |   |                     | e timber |  |
| •                   | In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.   |  |                                     |   |                     |          |  |
| •                   | All Information must be typed or printed except for written signatures.  |  |                                     |   |                     |          |  |
| Ple                 | ease Check Appropriate Categories:   |  |                                     |   |                     |          |  |
| 1.                  | <ul> <li>My business is organized as (you <b>must</b> check <u>one</u> of the boxes below):</li> <li>A. Sole Proprietorship (individual)</li> <li>B. Partnership</li> <li>C. Corporation</li> </ul>  |  |                                     |   |                     |          |  |
| 2.                  | <ul> <li>You must check one of the boxes below:</li> <li>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.</li> <li>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).</li> <li>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.</li> </ul>   |  |                                     |   |                     |          |  |
| 3.                  | <ol> <li>If you have checked item 2(A) or 2(B), you must indicate the number of both full-time and part-time employees, other<br/>than yourself, including family members and active partners (if none, you must enter "0").</li> </ol>  |  |                                     |   |                     |          |  |
| Full-time Employees |  |  |                                     | - | Part-time Employees | <b>;</b> |  |
| Name of Business    |  |  | Federal ID (or) Social Security No. |   |                     |          |  |
| Address             |  |  | Telephone ( )                       |   |                     |          |  |
| City                | State  |  | ZIP                                 |   |                     |          |  |
| 000                 | hereby certify that the above information is true and correct. I agree to notify the Michigan DNRE of any changes that occur in factors affecting my coverage during any of my present and future operations.  Signature of Owner or Authorized Representative   |  |                                     |   |                     |          |  |
|                     | THE STATE OF THE |  |                                     |   |                     |          |  |

Date

equipment and staffing subject to my control.

#### **BID FORM**

#### CRYSTAL FALLS MANAGEMENT UNIT CRYSTAL FALLS OFFICE

#### LONG BILL (12-071-12-01) T40N, R29W, SEC. 14, Dickinson County

In response to the notice of sale to be held 3:00 p.m. (local time) on January 23, 2013, 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*       | ADV           | ERTISED PRICE        | BID PF           | ICE_                 |    |
|--|----------------------|--------------|---------------|----------------------|------------------|----------------------|----|
| Pulpwood   |                      |              |               |                      |                  |                      |    |
| Mixed Aspen  | 826.00               | Cords        | \$            | 24.10 / Cord         | \$               | / Cord               |    |
| Mixed Hardwood   | 574.00               | Cords        | \$            | 21.95 / Cord         | \$               | / Cord               |    |
| Mixed Softwood   | 1,100.00             | Cords        | \$            | 21.50 / Cord         | \$               | / Cord               |    |
| * The estimated units are final and estimates of quantity and quality. | not subject to adjus | stment. Pros | pective bidde | ers are urged to exa | mine this timber | and to make their ow | 'n |
| I understand that any or all bids maunderstand that consideration and  |                      |              | -             |                      |                  |                      |    |

| _   |   |              |                   |          |  |  |
|---|---|--------------|-------------------|----------|--|--|
|   | FEDERAL ID:   | :            |                   |          |  |  |
|   | Company or individu                                   | ual bidding: |                   |          |  |  |
|   | Company representative's name:                        |              |                   |          |  |  |
|   | Address:  |              |                   |          |  |  |
|   | City:   | State:       | Zip:              | <u> </u> |  |  |
| F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX. |   |              |                   |          |  |  |
| ndividual   | dividual or company representative's signature: Date: |              |                   |          |  |  |
| hone nu   | ımber :   |              | 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 COM                             | IPENS | 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.  |                |                                     |       |   |  |  |
| PΙε              | ease Check Appropriate Categories:   |                |                                     |       |   |  |  |
| 1.               | <ul> <li>My business is organized as (you <b>must</b> check <u>one</u> of the boxes below):</li> <li>A. Sole Proprietorship (individual)</li> <li>B. Partnership</li> <li>C. Corporation</li> </ul>  |                |                                     |       |   |  |  |
| 2.               | <ul> <li>You must check one of the boxes below:</li> <li>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.</li> <li>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).</li> </ul> |                |                                     |       |   |  |  |
| 3.               | <ul> <li>C.  Lertify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award.</li> <li>3. If you have checked item 2(A) or 2(B), you <b>must</b> indicate the number of <b>both</b> full-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").</li> </ul>   |                |                                     |       |   |  |  |
|                  | Full-time Er   | npioyees       |                                     |       | Part-time Employees                                       |  |  |
| Name of Business |  |                | Federal ID (or) Social Security No. |       |   |  |  |
| Address          |  |                | Telephone                           | )     |   |  |  |
| City             |  | State          | ZIP                                 |       |   |  |  |
| 000              | ereby certify that the above information is<br>our in factors affecting my coverage durin<br>Signature of Owner or Authorized Representative   |                |                                     |       | otify the Michigan DNRE of any changes that e operations. |  |  |

Date