



DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

Notice is hereby given that bids will be received by the Unit Manager, GAYLORD MANAGEMENT UNIT, for certain timber on the following described lands:

LAST STAND RED PINE / T29N, R02W, SEC. 14, W1/2NE, E1/2NW & NWSE.
T29N, R02W, SEC. 23, E1/2E1/2.
OTSEGO COUNTY (Appr. \$30,774.35)
SALE ACRES: 119

SIX FORTIES MIX / T29N, R02W, SEC. 22, SE1/4, S1/2NE1/4, NENE, SENW.
T29N, R02W, SEC. 23, NWSW, SWNW.
OTSEGO COUNTY (Appr. \$74,292.85)
SALE ACRES: 238

SALE DATE AND TIME: 3:00 p.m. on April 21, 2010.

GAYLORD

BID INSTRUCTIONS (Ver. 06/23/2008):

1. Bid Location, Date, and Time: Bids must be received by the Unit Manager, Gaylord Management Unit, 1732 West M-32, Gaylord, MI 49735, no later than 3:00 p.m. on April 21, 2010. For further information concerning this sale, contact the Unit Manager at 989-732-3541.
2. Bidder's Qualifications: 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/FMFM 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: 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: 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) that it is a "Bid for Timber," and (b) the sale name or number, and (c) 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: 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: 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: 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: 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: 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: 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: 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-090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC 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.

REBECCA A. HUMPHRIES
Director

LAST STAND RED PINE (007-09-01)

A timber sale contract for this LUMP SUM SEALED timber sale will be awarded the responsible bidder offering the highest sealed bid price. Bids must be at or above the following appraised price for each species:

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
PULPWOOD		
RED PINE	1,156.00 CORDS	\$ 24.60/CORD
JACK PINE	158.00 CORDS	\$ 9.55/CORD

In addition, the successful bidder agrees to purchase the following species at the indicated appraised price:

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
RED PINE	3.00 MBF	\$ 85.00/MBF
PULPWOOD		
RED MAPLE	7.00 CORDS	\$ 9.95/CORD
MIX ASPEN	34.00 CORDS	\$ 14.80/CORD

*The volumes are statistically estimated within plus (+) or minus (-) 11.67 percent. These estimated volumes 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 \$1,500.00, 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 may 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:

<u>PAYMENT UNIT NUMBER</u>	<u>PERCENT OF TOTAL SALE VALUE</u>
1	15%
2	35%
3	30%
4	20%

4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on March 31, 2013.



TIMBER SALE MAP

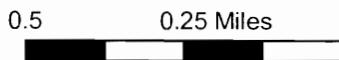
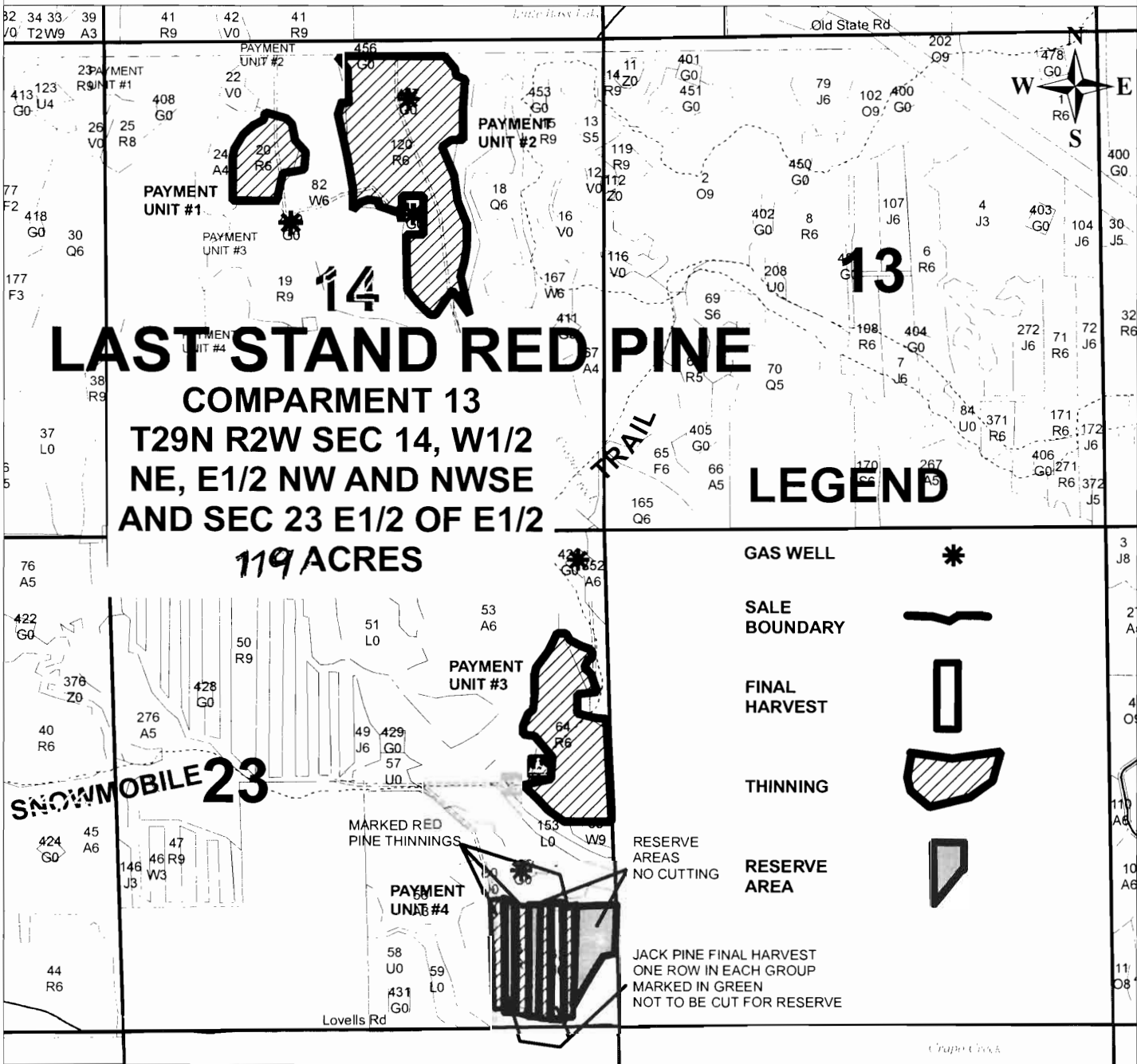
This information is provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER	YEAR
52-07-09-01	2009

FOREST MANAGEMENT UNIT GAYLORD	COUNTY OTSEGO	MAPPED BY GATESY	DATE 6/30/2009	PAGE 1	OF 2
-----------------------------------	------------------	---------------------	-------------------	-----------	---------

TOWNSHIP T29N	RANGE R02W	SECTION(S) AND SUBDIVISION(S) SEC 14, W $\frac{1}{2}$ NE, E $\frac{1}{2}$ NW & NWSE AND SEC 23, E $\frac{1}{2}$ OF E1/2	SCALE 1:18,119
------------------	---------------	--	-------------------

Cover Type				Density	
A = Aspen	H = Hemlock	P = Lowland Poplar	V = Bog or Marsh	0 = Non Stocked	5 = Pole Timber Medium
B = Paper Birch	J = Jack Pine	Q = Mixed Swamp Conif	W = White Pine	1 = Seedling Sapling Poor	6 = Pole Timber Poor
C = Cedar	L = Lowland Brush	R = Red Pine	X = Non Stocked	2 = Seedling Sapling Medium	7 = Saw Timber Poor
E = Swamp Hdwoods	M = Mpl. Echl. Birch	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			





Michigan Department of Natural Resources – Forest, Mineral & Fire Management
TIMBER SALE MAP

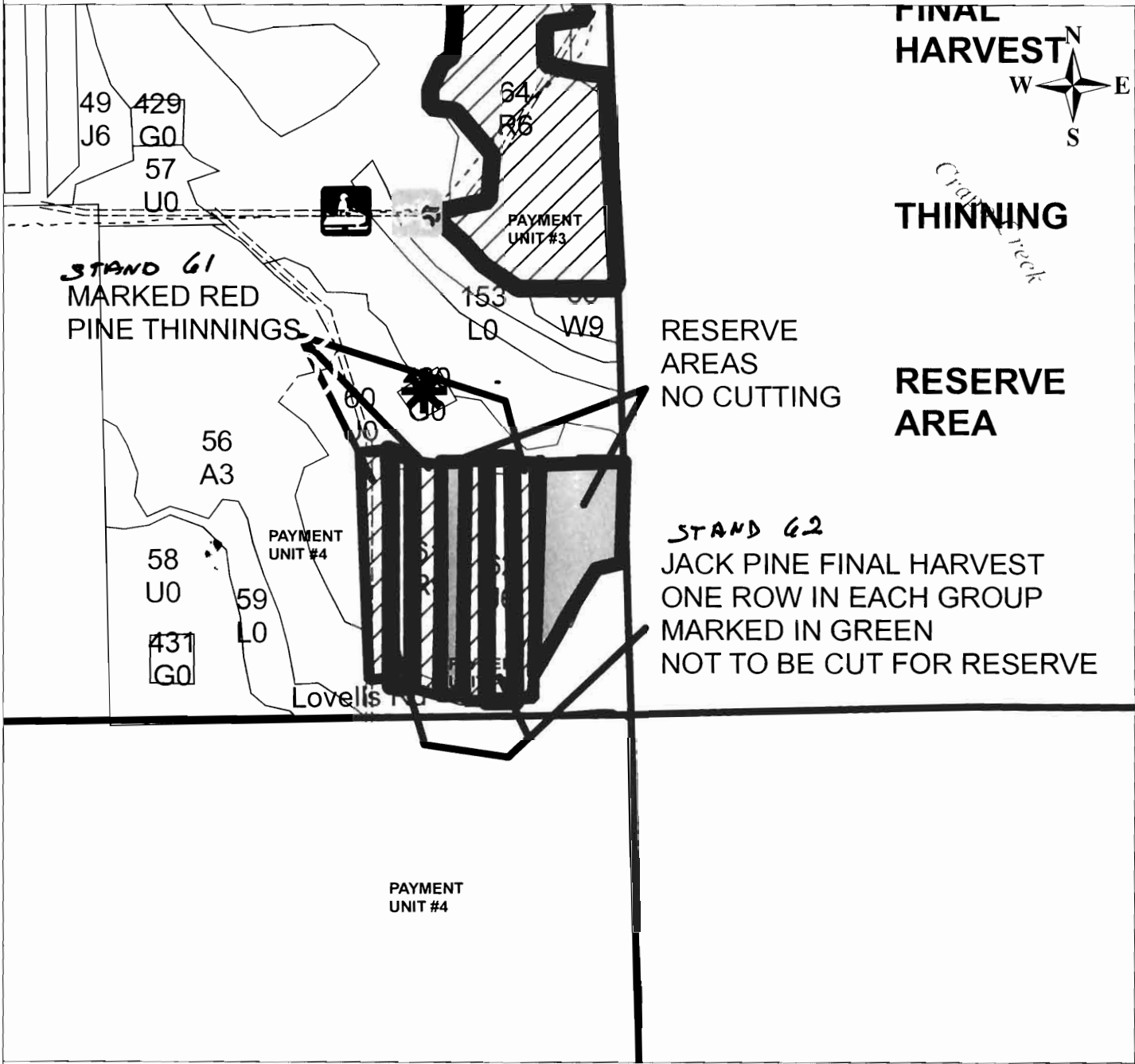
This information is provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER: **52-07-09-01**
 YEAR: **2009**

FOREST MANAGEMENT UNIT GAYLORD	COUNTY OTSEGO	MAPPED BY GATESY	DATE 6/30/2009	PAGE 2	OF 2
TOWNSHIP T29N	RANGE R02W	SECTIONS AND SUBSECTIONS SEC 14 W 1/2 NE 1/2 NW & NWSE AND SEC 23, E 1/2 OF E 1/2	1:8,665		

Cover Type			
A = Aspen	H = Hemlock	P = Lowland Poplar	V = Bog or Marsh
B = Paper Birch	J = Jack Pine	Q = Mixed Swamp Cnt	W = White Pine
C = Cedar	L = Lowland Birch	R = Red Pine	X = Non Stocked
E = Swamp Hickory	M = Mpl. Bch. Birch	S = Black Spruce	Z = Water
F = Spruce-Fir	N = Marsh	T = Tamarack	
G = Spruce	O = Oak	U = Upland Birch	

Density	
0 = Non Stocked	5 = Pole Timber Medium
1 = Seedling Sapling Poor	6 = Pole Timber Well
2 = Seedling Sapling Medium	7 = Saw Timber Poor
3 = Seedling Sapling Well	8 = Saw Timber Medium
4 = Pole Timber Poor	9 = Saw Timber Well



Sale Specific Conditions & Requirements

Sale Name: Last Stand Red Pine Sale Number: 52-007-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by blue and red paint. Exterior sale boundary lines against private property are marked with blue paint. Do not cut painted boundary line trees unless also marked with orange paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) #4, stand 61, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability.

2.1.7 - Leave tree marked unit(s) (12/08)

Within Payment Unit(s) #4, stand 62, all jack pine trees, which meet minimum piece specifications in 2.2 Utilization, are designated for cutting except leave one row of jack pine per strip indicated with green paint. Reserve trees identified in accordance with 2.4.2 - Reserve trees, within leave tree marked unit boundaries are not Included Timber and are to be protected.

2.1.8 - Designated plantation row unit(s) (12/08)

Within Payment Unit(s) #1, 2 and 3, all red pine trees which meet minimum piece specifications in 2.2 Utilization, within designated plantation rows are designated for cutting. Designated plantation rows are every third row. Begin with the third row in from the outside of the plantation, then continue every third row. Because of the variability of row direction, it shall be the responsibility of the producer to maintain the third row sequence. Do not cut any tree 16" DBH or larger.

2.2 - Utilization

2.2.4 - Skidding length (2/09)

Skidding of lengths over 17 feet is not permissible unless approved by the Unit Manager or his/her representative.

2.4 - Special Protection

2.4.2 - Reserve trees (1/09)

The Purchaser shall not cut live or dead reserve trees within cutting units or clearings. Reserve trees are any tree 16" DBH or larger. The Purchaser shall protect reserve trees from damage by the Purchaser's operations. If the Purchaser's operations have cut or damaged reserve trees through carelessness, the Purchaser shall pay \$20 as fixed, agreed and liquidated damages for each reserve tree cut or damaged. Such payment does not constitute ownership of the undesignated timber.

Sale Name: Last Stand Red Pine Sale Number: 52-007-09-01

2.4.3 - Reserve areas (1/09)

The Purchaser shall protect reserve areas from damage by the Purchaser's operations. Reserve areas are marked with a green paint. The Purchaser shall not cut live or dead trees within reserve areas. If the Purchaser's operations have cut or damaged reserve areas through carelessness, the Purchaser shall pay \$1600 as fixed, agreed and liquidated damages for each acre or part thereof cut or damaged. Such payment does not constitute ownership of the undesignated timber.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) #'s 2 and 3 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. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

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.

3.6 - Payment Unit Cutting Schedule

3.6.1 - Order of cutting (1/09)

Payment Units shall be cut in numerical order, unless the sale is paid in full or unless approved by the Unit Manager or his/her representative.

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 dispersed throughout the sale or chipped, utilized or otherwise removed from the sale.

Sale Name: Last Stand Red Pine Sale Number: 52-007-09-01

4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

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 will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth. 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.

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 10 days in advance to schedule the conference.

5.1.3 - Well heads and natural gas pipelines (7/07)

The Purchaser is responsible for contacting the gas or pipeline company prior to operating equipment in the vicinity of well heads or natural gas pipelines.

5.1.4 - Post-sale conference (2/04)

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 blue and red paint line.

5.2.1.2 - Slash Removal

5.2.1.2.1 - Slash removal, right-of-way (12/04)

All slash must be removed at least 10 feet from the cleared right-of-way of forest roads.

5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 24 inches in height. However, one tree per acre should be left with tree top over 24 inches in height for warbler roosts.

5.2.1.9 - No Slash:pipe/powerline, oil/gas sites (2/04)

All pipelines, power lines, oil or gas storage sites and related access roads are to remain free of slash at all times.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) #'s 3 and 4, unless changed by written agreement, hauling is not permitted during the period of December 1st to March 31st. This restriction is because of the snowmobile trail.

5.2.3.6 - Bark beetle restriction (12/08)

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

5.2.30 - Landing/road top soil protection (1/09)

Top soil at landings and new roads must be stockpiled and saved. Upon completion of the timber sale, soil must be evenly distributed over the area to be re-vegetated. In addition, the area must be seeded and mulched per instructions of the sale administrator.

5.2.33 - Gas well re-vegetation (12/08)

In the event that the gas well is utilized for a landing, the site must be re-vegetated with a seeding mixture specified by 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.

5.2.41 - Snowmobile trail protection (1/09)

The snowmobile trail is shown on the Timber Sale Map. If the trail is used, it must be maintained and restored to a condition equal to or better than before the sale. Do not cut or damage posts with orange trail markers or traffic control signs. Maintain a 20 foot wide slash, debris, and rut free zone daily using the snowmobile trail as the centerline. If the trail is used for hauling, it must be graded to the satisfaction of the Unit Manager or his/her representative prior to December 1st. The snowmobile trail may not be used for any timber sale operations from December 1 to March 31. No decking of forest products will be permitted along the snowmobile trail. All stumps within 20 feet of the snowmobile trail must be cut at ground level.

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 (3/09)

No harvesting operations, including skidding and felling, are to take place within the marsh or bogs. The marsh or bogs are located in stand 120 across the access road from the northern most gas well site in the sale area and adjacent to the south eastern gas well site outside the sale area. When harvesting occurs, there should be no disturbance to the marsh or bog depressions. All equipment, trees and tops should be kept out of these areas. Within 100 feet of the marsh or bog, equipment should only be used when the soil is in a dry or frozen condition. Care must be taken by the purchaser to identify and avoid operating in these areas of the timber sale.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.2 - Snowmobile trail posting (1/09)

The Purchaser is responsible for posting and maintaining caution signs on snowmobile trail prior to beginning operations during the snowmobile season (approximately December 1 to March 31). The trail must be posted 200 feet from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

SIX FORTIES MIX (026-09-01)

A timber sale contract for this LUMP SUM SEALED timber sale will be awarded the responsible bidder offering the highest sealed bid price. Bids must be at or above the following appraised price for each species:

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
RED PINE	101.00 MBF	\$ 97.00/MBF
PULPWOOD		
RED PINE	2,089.00 CORDS	\$ 27.25/CORD
MIX ASPEN	407.00 CORDS	\$ 17.90/CORD

In addition, the successful bidder agrees to purchase the following species at the indicated appraised price:

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
WHITE PINE	1.00 MBF	\$ 49.00/MBF
PULPWOOD		
RED MAPLE	11.00 CORDS	\$ 10.30/CORD
WHITE PINE	12.00 CORDS	\$ 10.25/CORD

*The volumes are statistically estimated within plus (+) or minus (-) 11.41 percent. These estimated volumes 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 may 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:

<u>PAYMENT UNIT NUMBER</u>	<u>PERCENT OF TOTAL SALE VALUE</u>
1	15%
2	20%
3	15%
4	05%
5	25%
6	05%
7	15%
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on December 1, 2013.



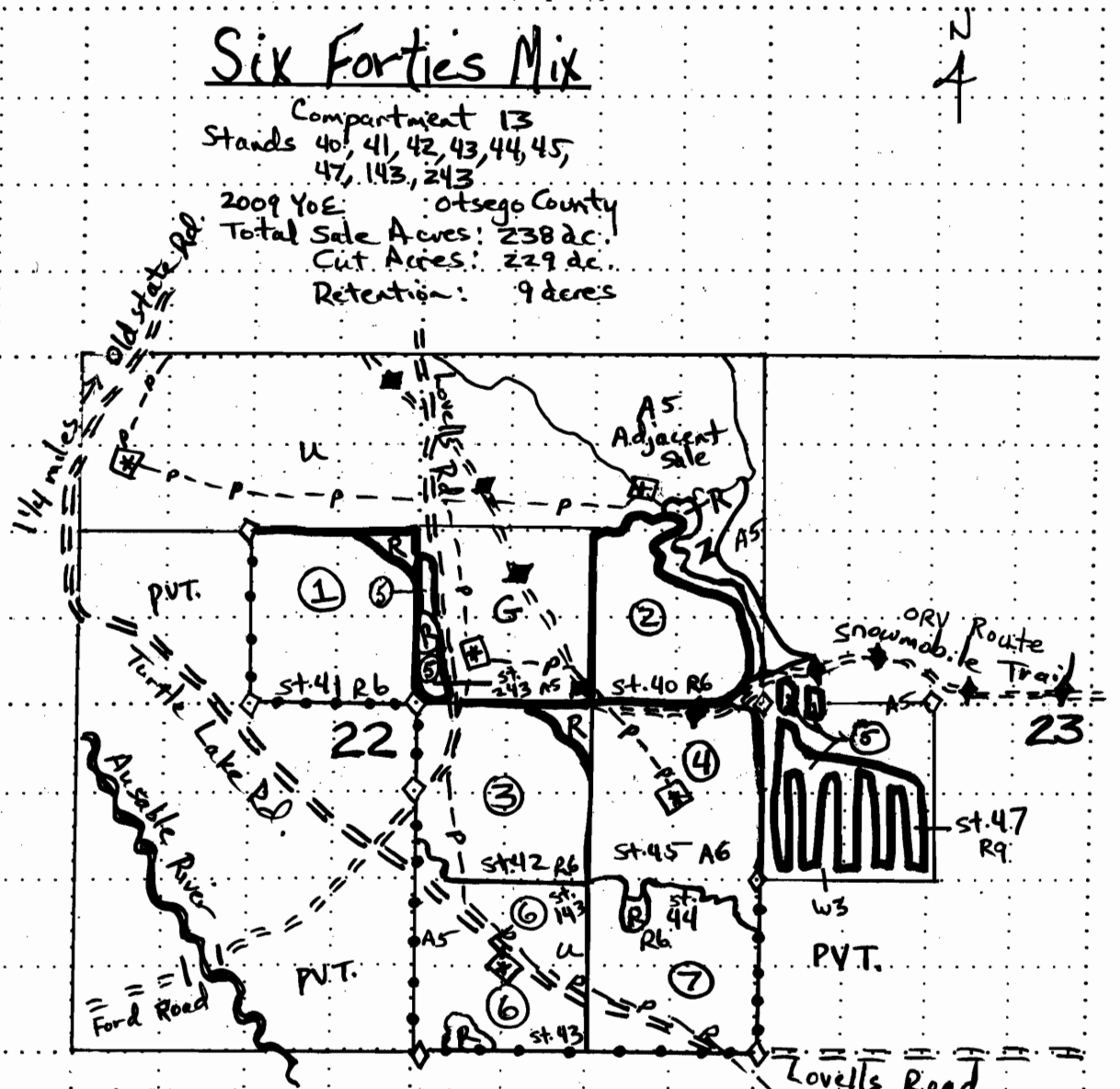
TIMBER SALE MAP

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

Sale Number	Year
026-09-01	09

Forest Management Unit Gaylord Mgt. Unit/South	County Otsego	Mapped By Lentz	Date 09/14/2009	Page 1	of 1
Township 29N	Range 2W	Section(s) and Subdivision(s) Sec. 22 SE1/4, S1/2 NE1/4, NENE, SENW Sec. 23 NWSW & SWNW	Scale: 1" = 1/4 Mile		

Cover Type				Density	
A = Aspen	G = Grass	O = Oak	U = Upland Brush	0 = Non Stocked	5 = Pole Timber Medium
B = Paper Birch	H = Hemlock	P = Lowland Poplar	V = Bog or Marsh	1 = Seedling Sapling Poor	6 = Pole Timber Well
C = Cedar	J = Jack Pine	Q = Mixed Swamp Cnfr	W = White Pine	2 = Seedling Sapling Medium	7 = Saw Timber Poor
D = Treed Bog	L = Lowland Brush	R = Red Pine	X = Non Stocked	3 = Seedling Sapling Well	8 = Saw Timber Medium
E = Swamp Hdwoods	M = Mpl, Bch, Brch	S = Black Spruce	Z = Water	4 = Pole Timber Poor	9 = Saw Timber Well
F = Spruce Fir	N = Marsh	T = Tamarack			



- LEGEND**
- Sale Boundaries: Red Paint
 - Private Boundaries: Blue Paint
 - Payment Units: ⑦
 - Payment Unit Lines: Yellow Paint
 - Buried Gas Pipelines: -P-P-P
 - Gas Well Sites: [Symbol]
 - Snowmobile Trail: - - - and ORV Route
 - Survey Corners: [Symbol]
 - Reserve Areas: (R) - Leave Uncut

Sale Specific Conditions & Requirements

Sale Name: Six Forties Mix Sale Number: 52-026-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by blue, red and yellow paint. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Do not cut trees marked with red or blue paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 4,5, & 6, 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. Except do not cut elm or hawthorne. Reserve trees identified in accordance with 2.4.3 Reserve areas, within clearcutting unit boundaries, are not Included Timber and are to be protected.

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

Within Payment Unit(s) 1,2,3, & 7, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability.

2.2 - Utilization

2.2.4 - Skidding length (2/09)

Skidding of unlimbed tops or lengths over 17 feet is not permissible unless approved by the Unit Manager or his/her representative.

2.4 - Special Protection

2.4.3 - Reserve areas (1/09)

The Purchaser shall protect reserve areas from damage by the Purchaser's operations. Reserve areas are marked with a red boundary line. Trees in the reserve areas of the northeast corners of Payment Units 1 & 3 were marked with brown paint and are not to be cut. The Purchaser shall not cut live or dead trees within reserve areas.

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

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.

3.6 - Payment Unit Cutting Schedule

3.6.2 - One active unit (12/08)

Each Payment Unit must be completed to the satisfaction of the Unit Manager or his/her representative before the next unit may be opened.

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 dispersed throughout the sale.

4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

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

4.2 - Maintenance

Sale Name: Six Forties Mix Sale Number: 52-026-09-01

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.

5.1.3 - Well heads and natural gas pipelines (7/07)

The Purchaser is responsible for contacting the gas or pipeline company prior to operating equipment in the vicinity of well heads or natural gas pipelines.

5.1.4 - Post-sale conference (2/04)

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 blue paint line.

5.2.1.9 - No Slash:pipe/powerline, oil/gas sites (2/04)

All pipelines, power lines, oil or gas storage sites and related access roads are to remain free of slash at all times.

5.2.2 - Hazard Trees/Snags

5.2.2.2 - Snag tree creation (1) (2/04)

Trees marked with 2 horizontal lines must be girdled by making two saw cuts, 2 inches deep completely around the tree. The tree must be left standing.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 2, 4 & 5, unless changed by written agreement, cutting, skidding, and hauling are not permitted during the period of December 1st to March 31st. This restriction is because of the snowmobile trail.

5.2.3.6 - Bark beetle restriction (12/08)

In the event drought creates a high risk of pine bark beetle infestation, pine is not to be cut during the period

Sale Name: Six Forties Mix Sale Number: 52-026-09-01

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

5.2.30 - Landing/road top soil protection (1/09)

Top soil at landings and new roads must be stockpiled and saved. Upon completion of the timber sale, soil must be evenly distributed over the area to be re-vegetated. In addition, the area must be seeded and mulched per instructions of the sale administrator.

5.2.33 - Gas well re-vegetation (12/08)

In the event that the gas well is utilized for a landing, the site must be re-vegetated with a seeding mixture specified by the Unit Manager or his/her representative.

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

The ORV route is 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.

5.2.41 - Snowmobile trail protection (8/09)

The snowmobile trail is shown on the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. If the trail is used, it must be maintained and restored to a condition equal to or better than before the sale. The road maintenance/restoration must be done prior to December 1. If the trail is used for hauling, it must be graded to the satisfaction of the Unit Manager or his/her representative prior to December 1st. The snowmobile trail may not be used for any timber sale operations from December 1 to March 31. Maintain a 20 foot wide slash, debris, and rut free zone daily using the snowmobile trail as the centerline. No decking of forest products will be permitted along the snowmobile trail. All stumps within 20 feet of the snowmobile trail must be cut at ground level.

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 (3/09)

No harvesting operations, including skidding and felling, are to take place within forested riparian areas or beaver flooding. When harvesting occurs, there should be no disturbance to the flooded area. All equipment, trees and tops should be kept out of this area. Within 100 feet of the riparian area, equipment should only be used when the soil is in a dry or frozen condition. The riparian area is located along the east side of unit 2 with a "Z" on the map. Care must be taken by the purchaser to identify and avoid operating in these areas of the timber sale.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (1/09)

The purchaser is responsible for posting and maintaining caution signs on Lovells Road and Turtle Lake 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. The Purchaser will provide these signs.

6.2.2 - Snowmobile trail posting (8/09)

The Purchaser is responsible for posting and maintaining caution signs on snowmobile trail prior to beginning operations during the snowmobile season (approximately December 1 to March 31). The trail 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. The Purchaser will provide these signs. Note: The only units that can be logged during snowmobile season include units 1,3,6, & 7.

6.2.3 - Recreational trail posting (1/09)

The Purchaser is responsible for posting caution signs on the 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. The Purchaser must maintain the signs. The Purchaser will provide these signs.

LAST STAND RED PINE (007-09-01)
 T29N, R02W, SEC. 14, W1/2NE, E1/2NW & NWSE.
 T29N, R02W, SEC. 23, E1/2E1/2.
 OTSEGO COUNTY

In response to the notice of sale to be held 3:00 p.m. on April 21, 2010, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species and total bid value must be at or above the appraised price. All non-responsive bid forms may be rejected.

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>BID PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>= VALUE</u>
<u>PULPWOOD</u>				
RED PINE	\$ 24.60/CORD	\$ _____ X	1,156.00 CORDS	= \$ _____
JACK PINE	\$ 9.55/CORD	\$ _____ X	158.00 CORDS	= \$ _____
			SUBTOTAL 1	\$ _____

In addition, the successful bidder agrees to purchase the following species at the appraised price:

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>VALUE</u>
<u>SAWLOGS</u>			
RED PINE	\$ 85.00/MBF	3.00 MBF	= \$ 255.00
<u>PULPWOOD</u>			
RED MAPLE	\$ 9.95/CORD	7.00 CORDS	= \$ 69.65
MIX ASPEN	\$ 14.80/CORD	34.00 CORDS	= \$ 503.20
			SUBTOTAL 2 \$ <u>827.85</u>

SUBTOTAL 1 + SUBTOTAL 2 = TOTAL BID VALUE \$ _____

*These volumes are statistically estimated within plus (+) or minus (-) 11.67%. These estimated volumes 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, and that the individual unit bid price will be the basis to determine total bid value. 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 manpower subject to my control.

 (bidder's printed name)

 (bidder's signature)

Address/Telephone _____

THE WINNING BIDDER MUST COMPLETE THE FORM ON THE REVERSE SIDE
 WITHIN 21 DAYS OF SALE AWARD



FOR DEPARTMENT USE ONLY	
Sale or Permit No	
Year:	Type:
Forest Area:	

**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.

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

- This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.
- In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.
- All Information must be typed or printed except for written signatures.

Please 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. 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), you must indicate the number of **both** full and part time employees other than yourself including family members and active partners (if none, you must enter "0").

_____ Full Time Employees

_____ Part Time Employees

Name of Business		Federal ID (or) Social Security No.	
Address		Telephone No. () .	
City	State	Zip + 4	

I hereby certify that the above information is true and correct. I agree to notify the DNR of any changes that occur in factors affecting my coverage during any of my present and future operations.

Signature of Owner or Authorized Representative

Title

Date

SIX FORTIES MIX (026-09-01)
T29N, R02W, SEC. 22, SE1/4, S1/2NE1/4, NENE, SENW.
T29N, R02W, SEC. 23, NWSW, SWNW.
OTSEGO COUNTY

In response to the notice of sale to be held 3:00 p.m. on April 21, 2010, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species and total bid value must be at or above the appraised price. All non-responsive bid forms may be rejected.

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>BID PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>= VALUE</u>
SAWLOGS				
RED PINE	\$ 97.00/MBF	\$ _____ X	101.00 MBF	= \$ _____
PULPWOOD				
RED PINE	\$ 27.25/CORD	\$ _____ X	2,089.00 CORDS	= \$ _____
MIX ASPEN	\$ 17.90/CORD	\$ _____ X	407.00 CORDS	= \$ _____
SUBTOTAL 1				\$ _____

In addition, the successful bidder agrees to purchase the following species at the appraised price:

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>VALUE</u>
SAWLOGS			
WHITE PINE	\$ 49.00/MBF	1.00 MBF	= \$ 49.00
PULPWOOD			
RED MAPLE	\$ 10.30/CORD	11.00 CORDS	= \$ 113.30
WHITE PINE	\$ 10.25/CORD	12.00 CORDS	= \$ 123.00
SUBTOTAL 2			\$ 285.30

SUBTOTAL 1 + SUBTOTAL 2 = TOTAL BID VALUE \$ _____

*These volumes are statistically estimated within plus (+) or minus (-) 11.41%. These estimated volumes 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, and that the individual unit bid price will be the basis to determine total bid value. 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 manpower subject to my control.

(bidder's printed name)

(bidder's signature)

Address/Telephone _____

THE WINNING BIDDER MUST COMPLETE THE FORM ON THE REVERSE SIDE
WITHIN 21 DAYS OF SALE AWARD



FOR DEPARTMENT USE ONLY

**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.*

Sale or Permit No

Year:

Type:

Forest Area:

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

- This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.
- In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.
- All Information must be typed or printed except for written signatures.

Please 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. 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), you **must** indicate the number of **both** full and part time employees other than yourself including family members and active partners (if none, you must enter "0").

_____ Full Time Employees

_____ Part Time Employees

Name of Business		Federal ID (or) Social Security No.	
Address		Telephone No. ()	
City	State	Zip + 4	

I hereby certify that the above information is true and correct. I agree to notify the DNR of any changes that occur in factors affecting my coverage during any of my present and future operations.

Signature of Owner or Authorized Representative

Title

Date