



DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT
STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

SALE TIME, DATE AND LOCATION
3:00 p.m. on September 30, 2010
GRAYLING

Notice is hereby given that bids will be received by the Unit Manager, GRAYLING MANAGEMENT UNIT, for certain timber on the following described lands. The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs, and sale contract terms of the proposed sale.

BARLOW RED PINE / T25N, R08E, SEC. 36, E1/2NE.

T25N, R08E, SEC. 31, W1/2NW.

ALCONA COUNTY (Appr. \$5,345.26)

SALE ACRES: 18

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.

HULBERT ROAD HARDWOODS / T28N, R04W, SEC. 27, S1/2SW, SWSE.

CRAWFORD COUNTY (Appr. \$33,735.17)

SALE ACRES: 70

No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity.

Access may be through private, state forest, or other public land.

Please be aware that some landowners may request 60 days or more notice for forest harvesting access across their land.

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

1. Bid Location, Date, and Time: Bids must be received by the Unit Manager, Grayling Management Unit, 1955 North I-75 BL, Grayling, MI 49738, no later than 3:00 p.m., on September 30, 2010. For further information concerning this sale, contact the Unit Manager at 989-348-6371.
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

BARLOW RED PINE (011-05-01)

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 MAPLE | 11.40 MBF | \$ 77.00/MBF |
| WHITE PINE | 29.60 MBF | \$ 36.00/MBF |
| RED PINE | 19.50 MBF | \$ 104.00/MBF |

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> |
|----------------|--------------------------|------------------------|
| PULPWOOD | | |
| RED MAPLE | 72.90 CORDS | \$ 4.50/CORD |
| P. BIRCH | 40.00 CORDS | \$ 5.20/CORD |
| B.T. ASPEN | 30.10 CORDS | \$ 13.40/CORD |
| WHITE PINE | 17.20 CORDS | \$ 5.20/CORD |
| RED PINE | 18.60 CORDS | \$ 18.55/CORD |

*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 \$1,000.00 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 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:

| PAYMENT UNIT NUMBER | PERCENT OF TOTAL SALE VALUE |
|---------------------|-----------------------------|
| 1 | 91% |
| 2 | 09% |
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on September 30, 2011.



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

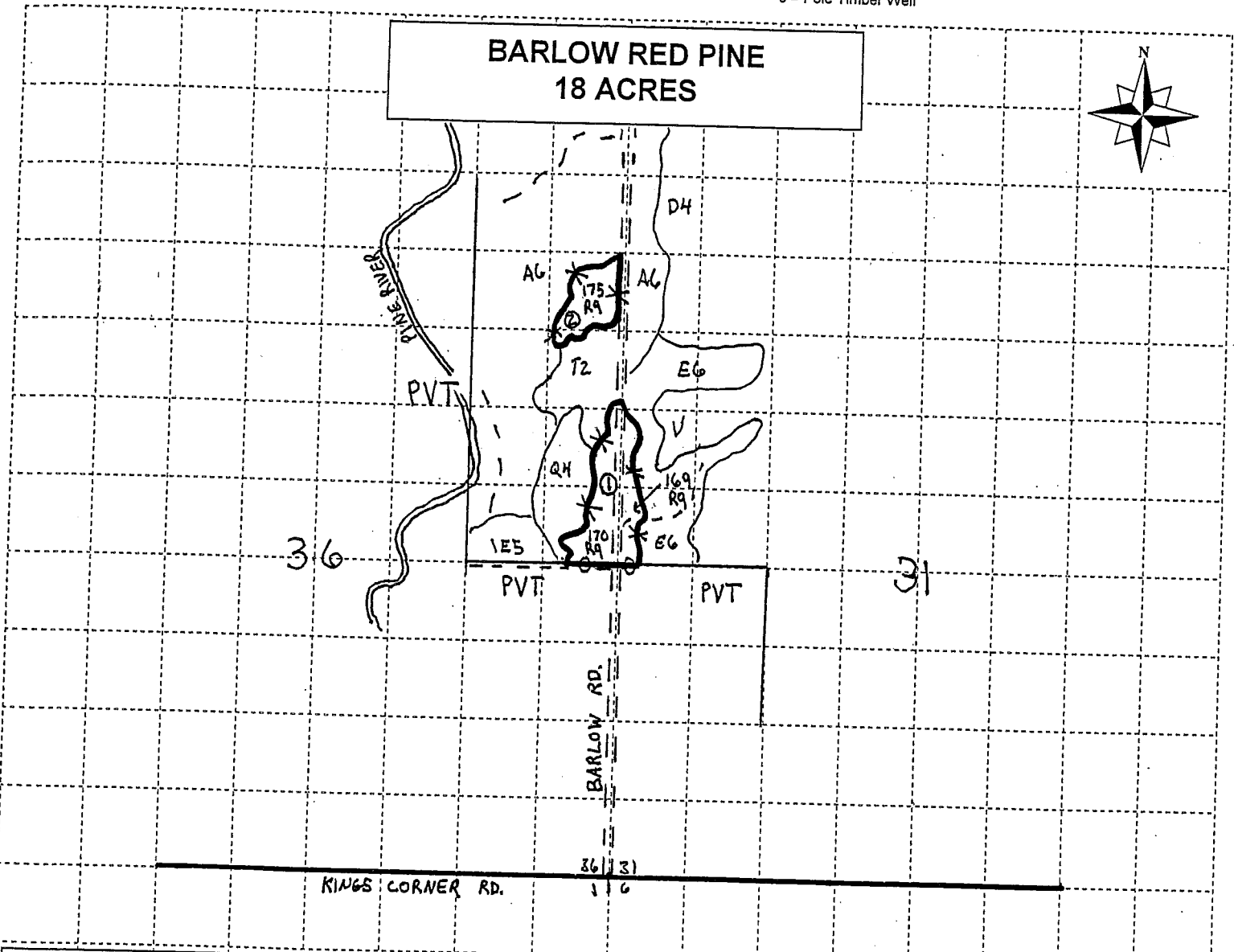
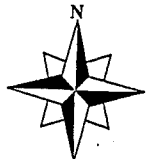
This information provided under authority of Part 525, Act 451 of 1994, as amended.

| | | |
|------------------------|-------------------|------------------------|
| Sale No. 011 | Year 05 | Sale Type 01 |
|------------------------|-------------------|------------------------|

| | | | | |
|---|---------------------|--|--|--------------------------|
| State Forest and Forest Management Unit: GRAYLING MANAGEMENT UNIT | | Cruised By: Cedar Ridge Forestry Mapped By: Lewicki | | Date: 9-14-05 |
| Township 25N | Range 08E | Section 31 & 36 | Subdivision S.31 - W1/2NW S.36 - E1/2NE | Scale: 1 inch = 1/4 mile |

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

BARLOW RED PINE
18 ACRES



Legend

- Sale Boundary (Red)
- Sale Boundary (Blue, Private)
- Payment Unit Number
- Poor Dirt Road
- Good Dirt Road

Unit Acres

| | |
|----|----------|
| 1. | 12 Acres |
| 2. | 6 Acres |

Sale Specific Conditions & Requirements

Sale Name: Barlow Red Pine Sale Number: 72-011-05-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (6/05)

The sale boundary is 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 are marked with red paint. Do not cut painted boundary line trees.

2 - Timber Specifications

2.1 - Included Timber

2.1.3 - Cut tree marked unit(s) (8/04)

Within Payment Unit(s) 1 & 2 all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. All Aspen, Red Maple and Paper Birch are designated for cutting. Do not cut or damage any Cedar or Hemlock

2.2 - Utilization

2.2.3 - Stump heights (5/04)

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

2.2.4 - Skidding length (2/04)

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

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (7/05)

Payment unit(s) #1 may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

3.4 - Damaged Timber

Sale Name: Barlow Red Pine Sale Number: 72-011-05-01

3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. In addition, extreme care should be taken to avoid damage to tree seedlings and saplings. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

Within the sale area, if more than 20% of the tree seedlings or saplings (1/4" to 4.5" DBH) within a specified portion of the sale area are damaged, liquidated damages will be assessed at \$300 per acre for all acreage within that specified portion of the sale area that was damaged.

No damage is acceptable to merchantable trees. Within the sale area, if more than 10 % of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

4 - Transportation

4.1 - Construction

4.1.3 - Slash and earthen piles (8/04)

Piles or windrows of earth along roads and landings that have been widened or constructed shall be leveled. Slash from road maintenance or construction, including stumps, shall be dispersed throughout the sale.

4.1.7 - Road closure (8/04)

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. These roads must be rendered impassable to cars and trucks. Contact the sale administrator for specific details of design and placement.

4.1.11 - Permits (2/04)

The Purchaser will secure any necessary highway and stream crossing permits that may be required.

4.2 - Maintenance

4.2.1 - Hauling restriction (2/05)

Hauling may be restricted on forest roads by the Unit Manager or their representative. The restriction may occur during spring breakup or wet weather conditions.

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

Sale Name: Barlow Red Pine Sale Number: 72-011-05-01

5.1.1 - Pre-sale conference (6/04)

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.

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.

5.2.1.7 - Slash must be scattered (2/04)

Unless otherwise directed, slash and logging debris shall be uniformly scattered over the sale area and not left in piles or windrows. Slash shall not be allowed to accumulate at the landings. All slash work shall be done concurrently with harvesting.

5.2.2 - 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

5.2.3.8 - Operating restrictions (12/04)

Within Sale Area, unless changed by written agreement, within Payment Units 1 & 2, cutting, skidding, and hauling are only permitted during the period of 12/15 to 3/31. This restriction is because of wet and fragile soil conditions.

5.2.4 - Dead and Down Creation

5.2.4.3 - Dead and down creation (2/04)

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

5.2.12 - Bark slippage restriction (5/04)

Within Sale Area, within Payment Unit(s) 1 & 2, cutting and skidding are not permitted during the period of April 15 to July 1st. This restriction is because of bark slippage.

Sale Name: Barlow Red Pine Sale Number: 72-011-05-01

5.2.15 - Bark beetle restriction (2/04)

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 their representative, within fifteen days of being severed from the stump. Pine logs, pulpwood piles and treetop piles for chipping that are decked 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 option if the risk of damage warrants.

5.2.30 - Landing/road top soil protection (5/04)

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.

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 (2/04)

Operations are to cease immediately if equipment and weather conditions result in rutting of 6" inches or greater in depth. With the Unit Manager or their representative's approval, the Purchaser may return to the area when the weather conditions have changed and the risk of rutting has decreased.

7 - Other Conditions

7.3 - Contract Modifications

7.3.1.1 - Emerald ash borer, no ash or firewood on sale (2/05)

There is no ash or "firewood" in this sale, but it is located within an emerald ash borer quarantined area. The Director of the Michigan Department of Agriculture (MDA) by the authority of Act No. 72 of the Public Acts of 1945, as amended, and Quarantine Regulation No. 620, has promulgated this quarantine to prevent the further spread of this pest and sets forth: definitions, regulated articles, regulated areas, conditions of movement, violations and penalties, and special exemptions. The purchaser must comply with this quarantine. Contact the MDA for further information.

HULBERT ROAD HARDWOODS (043-06-01)

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 | | |
| SUG. MAPLE | 74.00 MBF | \$ 300.00/MBF |
| RED PINE | 8.00 MBF | \$ 190.00/MBF |
| PULPWOOD | | |
| SUG. MAPLE | 539.00 CORDS | \$ 8.95/CORD |
| RED PINE | 191.00 CORDS | \$ 18.22/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> |
|----------------|--------------------------|------------------------|
| PULPWOOD | | |
| BASSWOOD | 62.00 CORDS | \$ 6.10/CORD |
| Q. ASPEN | 28.00 CORDS | \$ 15.60/CORD |
| MIX HARDWD | 174.00 CORDS | \$ 5.15/CORD |

*The volumes are statistically estimated within plus (+) or minus (-) 12.89 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 \$2,500.00 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 | 30% |
| 2 | 37% |
| 3 | 33% |
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on September 30, 2012.



TIMBER SALE MAP

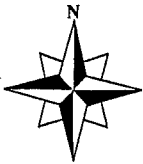
This information provided under authority of Part 525, Act 451 of 1994, as amended.

| | | |
|-----------------|------------|-----------------|
| Sale No. 043 | Year 06 | Sale Type 01 |
|-----------------|------------|-----------------|

| | | | | |
|---|--------------------|---|-------------------------------------|--------------------------|
| State Forest and Forest Management Unit: Grayling FMU | | Mapped By: <i>Cedar Ridge Arzooyan</i> Patrick Cotant | | Date: 8/23/06 |
| Township 28N | Range 4W | Section(s) 27 | Subdivision Sec. 27-S1/2SW, SWSE | Scale: 1 inch = 1/4 Mile |

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

Hulbert Road Hardwoods
67 acres

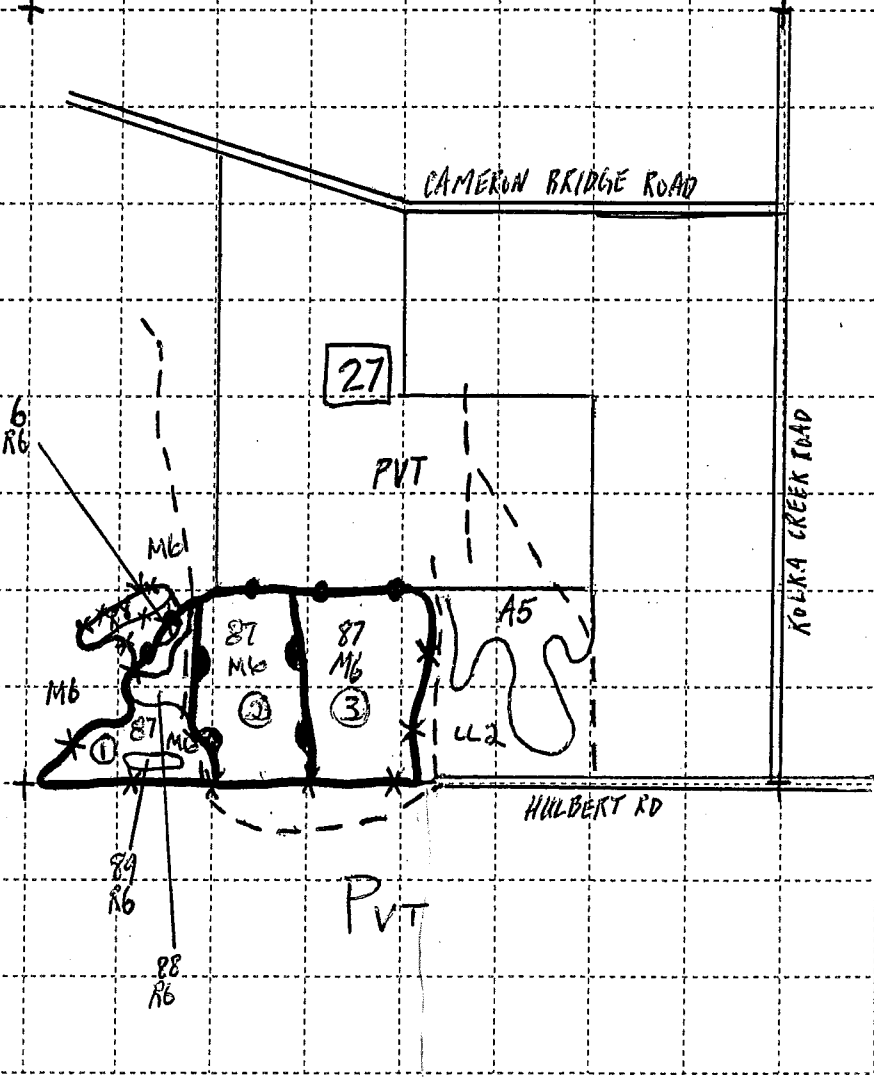


UNITS

I-25 acres
 II-21 acres
 III-21 acres

Legend

- Sale Boundary- (Red Paint Line)
- Blue Paint Line- (Private Boundary)
- Yellow Paint Line- (Unit Line)
- 2-Track/Dirt-
- Paved Roads-



Sale Specific Conditions & Requirements

Sale Name: Hulbert Road Hardwoods Sale Number: 72-043-06-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (6/05)

The sale boundary is 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 painted boundary line trees unless also marked with orange paint. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

2.1.3 - Cut tree marked unit(s) (8/04)

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

2.1.15 - Hazard trees near county roads (4/05)

Cut and remove all standing dead trees within 100 feet of the cleared portion of designated county roads. These cut snags must be scattered back into the sale area.

2.2 - Utilization

2.2.3 - Stump heights (5/04)

Stump heights within the Sale Area shall not exceed 12 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH. A written waiver of this requirement may be obtained if wet summer weather makes winter logging necessary.

2.2.6 - Roundwood operation required (6/04)

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

2.2.7 - Uncut designated trees (2/04)

Liquidated damages of \$5.00 per tree will be assessed for every marked tree not cut.

2.2.9 - No chipping permitted (12/05)

All wood must be removed by whole tree, tree segment, or roundwood. No chipping is permitted.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (7/05)

Payment unit(s) 1, 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. In addition, extreme care should be taken to avoid damage to tree seedlings and saplings. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

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

No damage is acceptable to merchantable trees. Within the sale area, if more than 5% of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

4 - Transportation

4.1 - Construction

4.1.3 - Slash and earthen piles (8/04)

Piles or windrows of earth along roads and landings that have been widened or constructed shall be leveled. Slash from road maintenance or construction, including stumps, shall be dispersed throughout the sale.

4.1.6 - Road construction (8/04)

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 (8/04)

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. These roads must be rendered impassable to cars and trucks. All stumps from road building and landing construction must be reserved to block any newly constructed roads upon completion of the sale. These stumps must be scattered along the road system to prohibit vehicular movement. Contact the sale administrator for specific details of design and placement.

Sale Name: Hulbert Road Hardwoods Sale Number: 72-043-06-01

4.1.11 - Permits (2/04)

The Purchaser will secure any necessary highway and stream crossing permits that may be required.

4.1.12 - No new roads (10/04)

No new roads will be permitted in any Payment Unit. All operations are limited to existing roads.

4.2 - Maintenance

4.2.1 - Hauling restriction (2/05)

Hauling may be restricted on forest roads by the Unit Manager or their representative. The restriction may occur during wet weather conditions.

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 (6/04)

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 their representative must be contacted at least 5 days in advance to schedule the conference.

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.

5.2.1.7 - Slash must be scattered (2/04)

Unless otherwise directed, slash and logging debris shall be uniformly scattered over the sale area and not left in piles or windrows. Slash shall not be allowed to accumulate at the landings. All slash work shall be done concurrently with harvesting.

5.2.2 - 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.

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

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

5.2.12 - Bark slippage restriction (10/05)

Within Sale Area, unless changed by written agreement, within Payment Unit(s) 1, 2, and 3, cutting, skidding, and hauling are not permitted during the period of April 15 to July 15. This restriction is because of bark slippage.

5.2.15 - Bark beetle restriction (2/04)

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 their representative, within fifteen days of being severed from the stump. Pine logs, pulpwood piles and treetop piles for chipping that are decked 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 option if the risk of damage warrants.

5.2.22 - Operating Caution

5.2.22.1 - Operating caution (12/04)

It is recommended, but not required, that within Payment Unit(s) 1, 2, and 3, cutting, skidding, and hauling occur during dry summer or frozen winter conditions. This restriction is because of sensitive soils.

5.2.32 - Decking/landing restoration (2/04)

All decking and landing areas must have the surface area restored to a condition equal to or better than before. This is to insure the proper regeneration of the stand.

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 (2/04)

Operations are to cease immediately if equipment and weather conditions result in rutting of 6 inches or greater in depth. With the Unit Manager or their representative's approval, the Purchaser may return to the area when the weather conditions have changed and the risk of rutting has decreased.

5.4.3 - Erosion control (2/04)

Skid trails or haul roads may require erosion control structures or berms per direction of the Unit Manager or their representative.

5.4.5 - Soil caution (11/04)

Care must be taken to minimize soil damage due to the sensitive soils.

BARLOW RED PINE (011-05-01)
 T25N, R08E, SEC. 36, E1/2NE.
 T25N, R08E, SEC. 31, W1/2NW.
 ALCONA COUNTY

In response to the notice of sale to be held 3:00 p.m., September 30, 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 MAPLE | \$ 77.00/MBF | \$ _____ X | 11.40 MBF | = \$ _____ |
| WHITE PINE | \$ 36.00/MBF | \$ _____ X | 29.60 MBF | = \$ _____ |
| RED PINE | \$ 104.00/MBF | \$ _____ X | 19.50 MBF | = \$ _____ |
| 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> |
|----------------|------------------------|--------------------------|--------------------|
| PULPWOOD | | | |
| RED MAPLE | \$ 4.50/CORD | 72.90 CORDS | = \$ 328.05 |
| P. BIRCH | \$ 5.20/CORD | 40.00 CORDS | = \$ 208.00 |
| B.T. ASPEN | \$ 13.40/CORD | 30.10 CORDS | = \$ 403.34 |
| WHITE PINE | \$ 5.20/CORD | 17.20 CORDS | = \$ 89.44 |
| RED PINE | \$ 18.55/CORD | 18.60 CORDS | = \$ 345.03 |
| SUBTOTAL 2 | | | \$ <u>1,373.86</u> |

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

*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



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.
- 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-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").

_____ Full-time Employees

_____ Part-time Employees

| | | |
|------------------|-------|-------------------------------------|
| Name of Business | | Federal ID (or) Social Security No. |
| Address | | Telephone () |
| City | State | ZIP |

I 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

Title

Date

HULBERT ROAD HARDWOODS (043-06-01)
T28N, R04W, SEC. 27, S1/2SW, SWSE.
CRAWFORD COUNTY

In response to the notice of sale to be held 3:00 p.m. September 30, 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 | | | | |
| SUG. MAPLE | \$ 300.00/MBF | \$ _____ X | 74.00 MBF | = \$ _____ |
| RED PINE | \$ 190.00/MBF | \$ _____ X | 8.00 MBF | = \$ _____ |
| PULPWOOD | | | | |
| SUG. MAPLE | \$ 8.95/CORD | \$ _____ X | 539.00 CORDS | = \$ _____ |
| RED PINE | \$ 18.22/CORD | \$ _____ X | 191.00 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> |
|----------------|------------------------|--------------------------|--------------|
| PULPWOOD | | | |
| BASSWOOD | \$ 6.10/CORD | 62.00 CORDS | = \$ 378.20 |
| Q. ASPEN | \$ 15.60/CORD | 28.00 CORDS | = \$ 436.80 |
| MIX HARDWD | \$ 5.15/CORD | 174.00 CORDS | = \$ 896.10 |
| SUBTOTAL 2 | | | \$ 1,711.10 |

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

*These volumes are statistically estimated within plus (+) or minus (-) 12.89%. 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



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.
- 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-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").

_____ Full-time Employees

_____ Part-time Employees

| | | |
|------------------|-------|-------------------------------------|
| Name of Business | | Federal ID (or) Social Security No. |
| Address | | Telephone () |
| City | State | ZIP |

I 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

Title

Date