

DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

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

WEST LOST LAKE RPP II PINE / T32N, R01W, SEC. 03, NE, SENW, NESW, N1/2SE. T32N, R01W, SEC. 02, NWNE. OTSEGO COUNTY (Appr. \$91,558.85)
SALE ACRES: 83

PICKEREL LAKE OAK / T32N, R01W, SEC. 02, SWSW.

T32N, R01W, SEC. 11, NWNW, S1/2SW.

T32N, R01W, SEC. 14, N1/2NW.

OTSEGO COUNTY (Appr. \$9,752.70)

SALE ACRES: 32

BLACK RIVER SPRUCE / T32N, R01W, SEC. 35, N1/2NW.
OTSEGO COUNTY (Appr. \$2,103.75)
SALE ACRES: 22

SALE DATE AND TIME: 9:00 a.m. on May 19, 2010.

VANDERBILT

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

- 1. <u>Bid Location, Date, and Time:</u> Bids must be received by the Unit Manager, Pigeon River Country Management Unit, 9966 Twin Lakes Road, Vanderbilt, MI 49795, no later than 9:00 a.m., on May 19, 2010. For further information concerning this sale, contact the Unit Manager at 989-983-4101.
- 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. <u>Preparation of Sealed Bids:</u> 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. <u>Submission of Sealed Bids</u>: 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. <u>Public Opening of Sealed Bids:</u> 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. <u>Down Payment:</u> 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. <u>Performance Security:</u> 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. <u>Timber Sale Contract:</u> 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

WEST LOST LAKE RPP II PINE (016-09-01)

A timber sale contract for this <u>LUMP SUM SEALED</u> 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:

SPECIES SAWLOGS	ESTIMATED VOLUME*	APPRAISED PRICE
WHITE PINE	77.00 MBF	\$ 61.00/MBF
RED PINE	483.00 MBF	\$ 110.00/MBF
PULPWOOD		,
WHITE PINE	505.00 CORDS	\$ 10.05/CORD
RED PINE	805.00 CORDS	\$ 34.00/CORD

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

SPECIES	ESTIMATED VOLUME*	AP	PRAISED PRICE
SAWLOGS			
JACK PINE	2.00 MBF	\$	54.00/MBF
MIX HARDWD	2.00 MBF	\$	148.60/MBF
PULPWOOD			
JACK PINE	52.00 CORDS	\$	10.90/CORD
MIX HARDWD	44.00 CORDS	\$	7.15/CORD

^{*}The volumes are statistically estimated within plus (+) or minus (-) 10.67 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 \$7,000.00, 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	20%
2	15%
3	25%
4	20%
5	20%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on December 31, 2012.



YELLOW PAINT

SALE AREA

CUTTING UNIT

RETENTION C

Michigan Department of Natural Resources - Forest Management Division

TIMBER SALE MAP

Sale Year Sale No. Type 016 09 01

This information provided under authority of Part 525, Act 451 of 1994, as amended. State Forest and Forest Management Unit: Mapped by: Don Mittlestat Crulsed by: Forest resources Date: PIGEON RIVER COUNTRY MGT. UNIT Sept. 23, 2009 Township Range **SECTION 2 NWNE** T32N R₁W NE SE. SECTION 3 NE; SENW! Scale: 1 Inch = 1/4 MILE Cover Type Density V = Bog or Marsh W = White Pine A = Aspen H = Hemlock P = Lowland Poplar 1 = Non Stocked 7 = Saw Timber 2 = Seedling Sapling Poor 3 = Seedling Sapling Well B = Paper Birch J = Jack Pine Q = Mixed Swamp Cnfr Poor C = Cedar L = Lowland Brush R = Red Pine X = Non Stocked 8 = Saw Timber E = Swamp Hdwoods M = Mpl, Bch, Brch S = Black Spruce Z = Water 4 = Pole Timber Poor Medium F = Spruce Fir 5 = Pole Timber Medium N = Marsh T = Tamarack 9 = Saw Timber G = Grass O = Oak U = Upland Brush 6 = Pole Timber Well Well WEST LOST LAKE RP II PINE 831 ACRES **COMPARTMENT 33** STANDS 29, 31 AND 69 129 MG H SALE AREA Shore To SHore Riding This R.I W. CO. CHAFFI **LEGEND** SALE BOUNDARY: O SECTION FOUR L **RED PAINT CUTTING UNIT LINE:** FORO LK

T. 32 N

HARDWOOD

13

15

16

Sale Specific Conditions & Requirements

Sale Name: West Lost Lake Rpp Ii Pine Sale Number: 53-016-09-01

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 red and yellow paint. Exterior sale boundary lines are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1 through 5, all trees, which meet minimum piece specifications in 2.2 Utilization, are designated for cutting except Aspen, Oak and Cherry and trees marked with green paint above and below stump height.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

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

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

Section Name: Sale Specific Page 1 of 4 Current as of 4/8/2010 1:30:23PM

Sale Name: West Lost Lake Rpp Ii Pine Sale Number: 53-016-09-01

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. The Purchaser must give a one week notice before finishing a unit to allow for inspection.

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 within 30 days of completion of hauling. Overgrown roads that are reopened shall be considered new roads. In general, this will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days. 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 (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.

Section Name: Sale Specific Page 2 of 4 Current as of 4/8/2010 1:30:23PM

Sale Name: West Lost Lake Rpp Ii Pine Sale Number: 53-016-09-01

5.1.4 - Post-sale conference (9/09)

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

不为

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 24 inches in height.

5.2.3 - Operating Restrictions

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 1 through 5, cutting and skidding are not permitted during the period of May 1st to July 1st. This restriction is because of bark slippage.

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.

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

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

5.2.40 - Pathway protection (6/09)

The Shore to Shore is a horse trail and is shown on the Timber Sale Map. Do not cut trees or damage posts with blue pathway markers. Maintain a 15-foot wide slash, debris, and rut free zone daily, using the pathway as the centerline.

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.

5.8 - Protection of Endangered Species

Section Name: Sale Specific Page 3 of 4 Current as of 4/8/2010 1:30:23PM

Sale Name: West Lost Lake Rpp Ii Pine Sale Number: 53-016-09-01

5.8.3 - Red shoulder hawk (1) (3/07)

In the event that an active red shoulder hawk nest is found, the contract may be amended to protect the nest site. The harvesting time may be altered or reduced. This limitation may be selectively imposed on a specific portion of the sale, or it could apply to the entire sale. In addition, an area surrounding the nest tree could be designated as a "no-cut" zone with appropriate adjustments made to the timber sale value.

234

6 - Safety and Fire Prevention

6.2 - Signing

6.2.3 - Recreational trail posting (2/10)

The Purchaser is responsible for posting and maintaining caution signs on the Shore to Shore Riding and Hiking Trail prior to beginning operations. The trail must be posted 200 feet from the sale areato 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 will provide these signs.

Section Name: Sale Specific Page 4 of 4 Current as of 4/8/2010 1:30:23PM

PICKEREL LAKE OAK (024-09-01)

A timber sale contract for this <u>LUMP SUM SEALED</u> 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:

SPECIES	ESTIMATED VOLUME*	AP	PRAISED PRICE
SAWLOGS			
RED OAK	22.00 MBF	\$	169.00/MBF
RED PINE	21.00 MBF	\$	105.00/MBF
PULPWOOD		•	,
MIX ASPEN	121.00 CORDS	\$	14.80/CORD

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

SPECIES	ESTIMATED VOLUME*	APPRAISED PRICE
PULPWOOD		
RED MAPLE	43,00 CORDS	\$ 8.75/CORD
RED OAK	86.00 CORDS	\$ 3.55/CORD
RED PINE	24.00 CORDS	\$ 30.70/CORD
JACK PINE	63.00 CORDS	\$ 9.85/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 C	OF TOTAL	SALE	VALUE
1		50%		
2		50%		

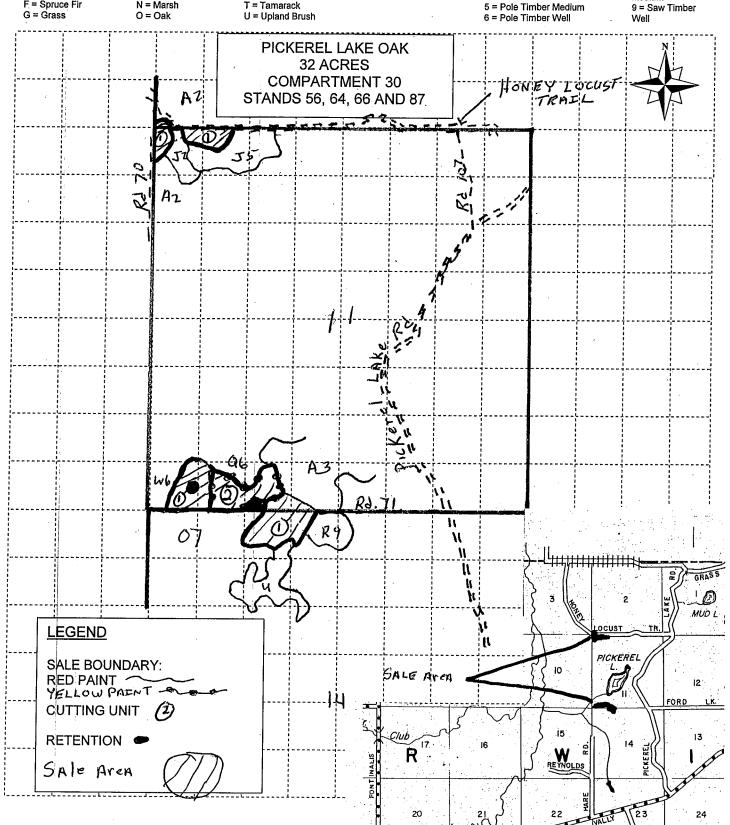
- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on June 30, 2012.



Michigan Department of Natural Resources - Forest Management Division

Sale Year No. 024 09

Sale TIMBER SALE MAP Type This information provided under authority of Part 525, Act 451 of 1994, as amended. 01 State Forest and Forest Management Unit: Mapped by: Don Mittlestat Cruised by: DON MITTLESTAT PIGEON RIVER COUNTRY MGT, UNIT Sept. 23, 2009 Township Range SECTION 2 SWSW; SECTION 11 NWNW; S1/2SW T32N R₁W SECTION 14 N1/2NW 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 B = Paper Birch J = Jack Pine Q = Mixed Swamp Cnfr W = White Pine 2 = Seedling Sapling Poor Poor C = Cedar L = Lowland Brush R = Red Pine X = Non Stocked 3 = Seedling Sapling Well 8 = Saw Timber E = Swamp Hdwoods M = Mpl, Bch, Brch N = Marsh S = Black Spruce Z = Water 4 = Pole Timber Poor Medium F = Spruce Fir T = Tamarack 5 = Pole Timber Medium 9 = Saw Timber G = Grass O = Oak U = Upland Brush 6 = Pole Timber Well Well PICKEREL LAKE OAK



Sale Specific Conditions & Requirements

Sale Name: Pickerel Lake Oak Sale Number: 53-024-09-01

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 red and yellow paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 2, 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 Oak and Green Marked trees.

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

Within Payment Unit(s) 1, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. Red Maple and Aspen are also designated for cutting. Do NOT cut green marked trees or unmarked Oak.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

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

2.2.4 - 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.

3 - Payments

3.4 - Damaged Timber

Sale Name: Pickerel Lake Oak Sale Number: 53-024-09-01

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 White Pine and Oak 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.

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. The Purchaser must give a one week notice before finishing a unit to allow for inspection.

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 within 30 days of completion of hauling. Overgrown roads that are reopened shall be considered new roads. In general, this will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days. 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.

Sale Name: Pickerel Lake Oak Sale Number: 53-024-09-01

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.

5.1.4 - Post-sale conference (9/09)

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

5.2 - Conduct of Operations

5.2.1 - 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 24 inches in height.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.4 - Oak wilt restriction (12/08)

Within Payment Unit(s) 1 and 2, unless changed by written agreement, cutting, skidding, and hauling are not permitted during the period of April 15 to July 15. This is necessary to reduce the spread of oak wilt. For more information, contact the Unit Manager or his/her representative.

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

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

5.4 - Soil Protection

Sale Name: Pickerel Lake Oak Sale Number: 53-024-09-01

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.

5.8 - Protection of Endangered Species

5.8.3 - Red shoulder hawk (1) (3/07)

In the event that an active red shoulder hawk nest is found, the contract may be amended to protect the nest site. The harvesting time may be altered or reduced. This limitation may be selectively imposed on a specific portion of the sale, or it could apply to the entire sale. In addition, an area surrounding the nest tree could be designated as a "no-cut" zone with appropriate adjustments made to the timber sale value.

BLACK RIVER SPRUCE (025-09-01)

A timber sale contract for this <u>LUMP SUM SEALED</u> 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:

SPECIES	ESTIMATED VOLUME*	APPRAISED PRICE
SAWLOGS		
W. SPRUCE	15.00 MBF	\$ 13.00/MBF
PULPWOOD		, , , , , , , , , , , , , , , , , , , ,
W. SPRUCE	53.00 CORDS	\$ 5.90/CORD
B. SPRUCE	164.00 CORDS	\$ 5.90/CORD
MIX ASPEN	34.00 CORDS	\$ 14.60/CORD

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

SPECIES	ESTIMATED VOLUME*	APP:	RAISED PRICE
PULPWOOD			
BALSAM FIR	13.00 CORDS	\$	5.90/CORD
MIX HARDWD	9.00 CORDS	\$	6.15/CORD

^{*}The volumes are statistically estimated within plus (+) or minus (-) 16.15 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 \$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 remainder is due before cutting begins.
- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on June 30, 2012.

Michigan Department of Natural Resources - Forest Management Division

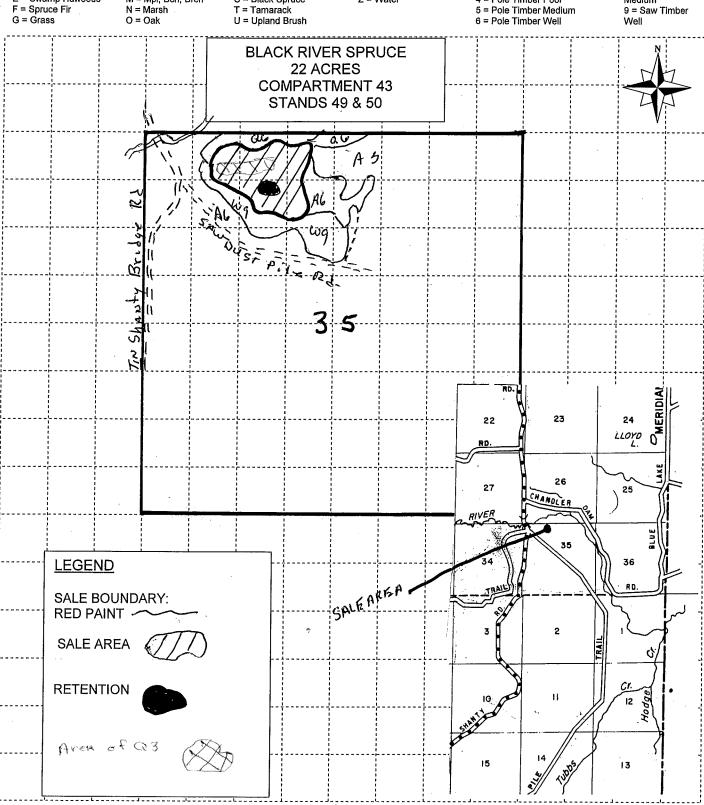
TIMBER SALE MAP

Sale Sale No. Type 025 09 01

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

Management Unit: Mapped by: Don Mittlestat Da State Forest and Forest Management Unit: Cruised by: Forest resources Don mittles Int Sept. 23, 2009 PIGEON RIVER COUNTRY MGT. UNIT Township Range SECTION 35 N1/2NW R1W T32N Scale: 1 inch = 1/4 MILE

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



Sale Specific Conditions & Requirements

Sale Name: Black River Spruce Sale Number: 53-025-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by red paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s), cut all species 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 White Cedar and White Pine. Areas of solid Q3 should be avoided or protected. See contract administrator for details.

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. 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 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.

Sale Name: Black River Spruce Sale Number: 53-025-09-01

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 within 30 days of completion of hauling. Overgrown roads that are reopened shall be considered new roads. In general, this will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days. 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 (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.

5.1.4 - Post-sale conference (9/09)

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

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 24 inches in height.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 1, unless changed by written agreement, cutting, skidding, and hauling are limited to the period of December 1 to March 31. This restriction is to provide winter browse for deer.

Sale Name: Black River Spruce Sale Number: 53-025-09-01

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.

1 34

Section Name: Sale Specific Page 3 of 3 Current as of 4/6/2010 2:52:00PM

WEST LOST LAKE RPP II PINE (016-09-01) T32N, R01W, SEC. 03, NE, SENW, NESW, N1/2SE. T32N, R01W, SEC. 02, NWNE. OTSEGO COUNTY

In response to the notice of sale to be held 9:00 a.m. on May 19, 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.

SPECIES SAWLOGS	APPRAISED PRICE	BID PRICE	ESTIMATED VOLUME* = VA	LUE
WHITE PINE RED PINE PULPWOOD	\$ 61.00/MBF \$ 110.00/MBF	\$x \$x	77.00 MBF = \$ 483.00 MBF = \$	
WHITE PINE RED PINE	\$ 10.05/CORD \$ 34.00/CORD	\$x \$x	505.00 CORDS = \$_ 805.00 CORDS = \$_	
			SUBTOTAL 1 \$	

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

SPECIES SAWLOGS	APPRAISED PRICE	ESTIMATED VOLUME*	ALUE
JACK PINE	\$ 54.00/MBF	2.00 MBF = \$	108.00
MIX HARDWD	\$ 148.60/MBF	2.00 MBF = \$	297,20
PULPWOOD			
JACK PINE	\$ 10.90/CORD	52.00 CORDS = \$	566.80
MIX HARDWD	\$ 7.15/CORD	44.00 CORDS = \$	314,60
		SUBTOTAL 2 \$	1,286.60
	SUBTOTAL 1 + S	SUBTOTAL 2 = TOTAL BID VALUE	\$

*These volumes are statistically estimated within plus (+) or minus (-) 10.67%. 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



Michigan Department of Natural Resources Forest, Mineral and Fire Management

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

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

_	As required by Act 317, P.A. 1969 (Worker's Compensation) and Pa of Act 451 of 1994, as amended.	art 525 Forest Area:					
	VERIFICATION OF WORKER'S DISABILI	TY COMPENSATION ACT COMPLIANCE					
•	 This verification must be completed and submitted within 21 sale contract. 	days of contract award and prior to the issuance of the timber					
•	 In addition, if boxes 2B or 2C are checked, then Notice of Exc days of the contract award and prior to the issuance of the til 	clusion or Certificate of Insurance must be submitted within 21 mber sale contract.					
•	All Information must be typed or printed except for written significant.	gnatures.					
Ple	Please Check Appropriate Categories:						
1.	1. My business is organized as (you must check one of the boxes be	elow):					
	A. ☐ Sole Proprietorship (individual)	·					
	B. 🔲 Partnership						
	C. Corporation						
2.	ou must check <u>one</u> of the boxes below:						
		as no employees but the sole proprietor. I am not subject to the					
 B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an a Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195). 							
		Policy. I will provide an original Certificate of Insurance within 21					
3.	. If you have checked item 2(A) or 2(B), you must indicate the n including family members and active partners (if none, you must er	umber of both full and part time employees other than yourself iter "0").					
	Full Time Employees	Part Time Employees					
Jame	ame of Business	ederal ID (or) Social Security No.					
		, and the control of					
-		elephone No.)					
ity	ty State	Zip + 4					
over	ereby certify that the above information is true and correct. I agree to verage during any of my present and future operations. Signature of Owner or Authorized Representative	notify the DNR of any changes that occur in factors affecting my					
Title	Title	Date					
	· · · · · · · · · · · · · · · · · · ·						

PICKEREL LAKE OAK (024-09-01)
T32N, R01W, SEC. 02, SWSW.
T32N, R01W, SEC. 11, NWNW, S1/2SW.
T32N, R01W, SEC. 14, N1/2NW.
OTSEGO COUNTY

In response to the notice of sale to be held 9:00 a.m. on May 19, 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.

SPECIES	APPRAISED PRICE	BID PRICE	ESTIMATED VOLUME*	= VALUE
SAWLOGS				
RED OAK	\$ 169.00/MBF	\$X	22.00 MBF	= \$
RED PINE	\$ 105.00/MBF	\$X	21.00 MBF	= \$
PULPWOOD				
MIX ASPEN	\$ 14.80/CORD	\$X	121.00 CORDS	= \$
			SUBTOTAL 1 \$	
In addition, the su	ccessful bidder agrees	to purchase the	following species a	it the
appraised price:				
SPECIES	APPRAISED PRICE	ESTIMATED	VOLUME* VALUE	<u>1</u>
PULPWOOD				
RED MAPLE	\$ 8.75/CORD	43.00	CORDS = \$37	6.25
RED OAK	\$ 3.55/CORD	86.00	CORDS = \$30	5.30
RED PINE	\$ 30.70/CORD	24.00	CORDS = \$73	36.80
JACK PINE	\$ 9.85/CORD	63.00	CORDS = \$62	20.55
		su	BTOTAL 2 \$ 2,03	<u> 88.90</u>
	SUBTOTAL 1 + S	UBTOTAL 2 = To	OTAL BID VALUE \$	
	olumes are final and not nis timber and to make t —			
will be the basis t must be bid or the awarding a contract	any or all bids may be reto determine total bid verbid form may be rejected will be based upon my an equipment and manpower	alue. All bids m d. I also unders past performance	must be signed and tand that considera and ability to com	all bid items tion and
(bidder's	s printed name)	(bidder's si	gnature)	
Address/Talenhon	ne.			

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



Michigan Department of Natural Resources Forest, Mineral and Fire Management

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

FOR DEPARTMENT USE ONLY					
Sale or Permit No					

7	itle	Da	ite				
_							
- 9	Signature of Owner or Authorized Representative	·					
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.							
City			Zip + 4				
Add	ress	Telephone No.					
Van	ne of Business	Federal ID (or)	Social Security No.				
	Full Time Employees		Part Time Employees				
3.	award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195). C.						
	B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approve Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contra						
A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to Worker's Compensation Laws.							
2. You must check one of the boxes below:							
	A. ☐ Sole Proprietorship (individual)B. ☐ PartnershipC. ☐ Corporation						
1.	My business is organized as (you must check one of the bo	oxes below):					
Ple	ease Check Appropriate Categories:						
•	days of the contract award and prior to the issuance of All Information must be typed or printed except for writ		ontract.				
•	sale contract. In addition, if boxes 2B or 2C are checked, then Notice						
•	This verification must be completed and submitted with						
	VERIFICATION OF WORKER'S DIS	SABILITY COMPEN	_				
	As required by Act 317, P.A. 1969 (Worker's Compensation) of Act 451 of 1994, as amended.	and Part 525	Forest Area:				

BLACK RIVER SPRUCE (025-09-01) T32N, R01W, SEC. 35, N1/2NW. OTSEGO COUNTY

In response to the notice of sale to be held 9:00 a.m. on May 19, 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.

SPECIES	APPRA	ISED PRICE	BID PR	ICE	ESTIMATE	D VOLUME	* = VALUE	
SAWLOGS			·			····		
W. SPRUCE	\$ 1	3.00/MBF	\$	x	15.00	MBF	= \$	
PULPWOOD			Ca. 1					
W. SPRUCE	\$	5.90/CORD	\$	x	53.00	CORDS	= \$	
B. SPRUCE	\$	5.90/CORD	\$	x	164.00	CORDS	= \$	
MIX ASPEN	\$ 1	4.60/CORD	\$	x	34.00	CORDS	= \$	
					SUBTOTAL	.1 \$_		_
In addition, the success appraised price:	ful bi	dder agrees	to purchas	se the i	Following	species	at the	
SPECIES A	PPRAIS	ED PRICE	EST	IMATED V	VOLUME *	VAI	UE	
PULPWOOD								
BALSAM FIR	\$	5.90/CORD		13,00 0	CORDS	= \$	76.70	
MIX HARDWD	\$	6.15/CORD		9.00	CORDS	= \$	55.35	
				SUE	BTOTAL 2	\$	132.05	
	SUBT	OTAL 1 + S	SUBTOTAL 2	= TO	TAL BID	VALUE \$_		
*These volumes are station estimated volumes are fix to examine this timber as	nal and	d not subjec	ct to adjus	stment.	Prospec	tive bid	ders are ur	
I understand that any or will be the basis to detemust be bid or the bid for awarding a contract will contract based upon equip	ermine orm may be bas	total bid v y be rejecte sed upon my	value. All ed. I also past perfo	. bids m underst ormance	nust be s and that and abil	igned an conside	d all bid i ration and	tems

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

(bidder's signature)

(bidder's printed name)

Address/Telephone



Michigan Department of Natural Resources Forest, Mineral and Fire Management

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

Туре:

	As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.	Forest Area:				
	VERIFICATION OF WORKER'S DISABILITY COMP	PENSATION ACT COMPLIANCE				
•	This verification must be completed and submitted within 21 days of calle contract.	contract award and prior to the issuance of the timber				
•	In addition, if boxes 2B or 2C are checked, then Notice of Exclusion of days of the contract award and prior to the issuance of the timber sale					
•	All Information must be typed or printed except for written signatures.					
⊃le	ease Check Appropriate Categories:					
1.	My business is organized as (you must check <u>one</u> of the boxes below): A. ☐ Sole Proprietorship (individual) B. ☐ Partnership C. ☐ Corporation					
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.					
3.	 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. 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				
lan	ne of Business Federal ID	(or) Social Security No.				
dd	ress Telephone (No.)				
ity	State	Zip + 4				
οv:	reby certify that the above information is true and correct. I agree to notify the erage during any of my present and future operations.	ne DNR of any changes that occur in factors affecting my				
5	Signature of Owner or Authorized Representative					
ī	itle	Date				