

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT STATE OF MICHIGAN

TIMBER SALE PROSPECTUS (4347)

SCHEDULED SALE DATE AND TIME: 3:00PM on April 20, 2011.

LOCATION: CRYSTAL FALLS MGT UNIT, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920.

PROSPECTUS NOTE: The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs and contract terms of proposed sales.

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

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

BAIT PILE ASPEN (12-066-10-01) / T42N, R32W, SEC.17, SWSE, SESW.

T42N, R32W, SEC.20, E1/2NW, NWNW.

T42N, R32W, SEC.20, S1/2NE, SE1/4, E1/2SW.

IRON COUNTY (Advertised Price \$66,560.55), 95.0 Acres

SALE NOTE: A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

FORD RIVER ASPEN (12-072-10-01) / T43N, R29W, SEC.16, S1/2SW.

T43N, R29W, SEC.17, S1/2SE.

T43N, R29W, SEC.20, NENE.

T43N, R29W, SEC.21, NWNW.

DICKINSON COUNTY (Advertised Price \$45,560.90), 113.0 Acres

SALE NOTE: A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

BROWNS GATE SALE (12-076-10-01) / T42N, R27W, SEC.11, E1/2SE.

T42N, R27W, SEC.12, W1/2SW, SESW.

T42N, R27W, SEC.13, NWNW.

T42N, R27W, SEC.14, N1/2NE.

DICKINSON COUNTY (Advertised Price \$66,150.40), 153.0 Acres

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through private land.

BID INSTRUCTIONS (VER. 02/24/2011):

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

Bids must be received by the Unit Manager, CRYSTAL FALLS OFFICE, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920, no later than 3:00PM on April 20, 2011. For further information concerning this sale, contact Don Mankee at 906-875-6622.

2. Bidder's Qualifications (1/11)

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 DNRE/FMD No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.

3. Preparation of Sealed Bids (1/11)

Bids shall be manually signed in ink; bid prices must be entered for each species and product in the Bid Price column for all material subject to bidding; and all fill-in blanks must be completed. If erasures or other changes appear on the forms, each erasure or change must be initialed by the person signing the bid.

4. Submission of Sealed Bids (1/11)

Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) 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 (1/11)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

6. Award of Contract (1/11)

Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.

7. Down Payment (1/11)

The Bidder to whom award is made must make a down payment within 21 days of the sale award. The amount of the down payment will be calculated as shown in the Bond and Payment Schedule of this prospectus. Only cash may be used to meet this requirement.

8. Performance Security (1/11)

As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.

9. Timber Sale Contract (1/11)

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

the included timber by the termination date.

10. Disclaimer of Estimates and Bidder's Warranty of Inspection (1/11)

Before submitting this bid, the Bidder is advised and cautioned to inspect the sale area, review the requirements of the sale contract, and take other steps as may be reasonably necessary to ascertain the location, estimated volumes, construction estimates, and operating costs of the proposed sale. Failure to do so will not relieve the Bidder from responsibility for completing the contract.

The Bidder warrants that this bid is submitted solely on the basis of the Bidder's examination and inspection of the quality and quantity of the timber offered for sale and the Bidder's opinion of the value thereof and the costs of recovery. No reliance should be placed on the State of Michigan's estimates of timber quality, quantity or costs of recovery. Bidder further acknowledges that the State of Michigan: (i) expressly disclaims any warranty of fitness of timber for any purpose; (ii) offers this timber as is without any warranty of quality (merchantability) or quantity and (iii) expressly disclaims any warranty as to the quantity or quality of timber sold.

11. Certification and Chain-of-Custody (1/11)

Unless otherwise indicated in the contract under section 7 – Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-00090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

RODNEY STOKES Director

TIMBER SALE INFORMATION

BAIT PILE ASPEN (12-066-10-01)

T42N, R32W, SEC.17; T42N, R32W, SEC.20.

IRON COUNTY (Advertised Price \$66,560.55)

SALE NOTE: A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

ESTIMATED VOLUME*	<u>AD\</u>	/ERTISED PRICE
2,350.00 Cords	\$	24.30/Cord
338.00 Cords	\$	24.90/Cord
	2,350.00 Cords	2,350.00 Cords \$

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$1,039.35:

PRODUCTS & SPECIES ESTIMATED VOLUME* ADVERTISED PRICE

Pulpwood

Mixed Softwood 39.00 Cords \$ 26.65/Cord

BOND AND PAYMENT SCHEDULE:

- 1. A bond in the amount of \$3,500.00 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 must be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALU
01	13%
02	26%
03	21%
04	13%
05	10%
06	17%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/31/2012.

^{*}The volumes are statistically estimated within plus (+) or minus (-) 7.92 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.

Sale Specific Conditions & Requirements

Sale Name: Bait Pile Aspen Sale Number: 12-066-10-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by blue and red paint. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state and interior payment unit boundary lines are marked with red paint. Oak retention areas within payment unit 3 are marked with green paint. Do not cut green painted trees. Red painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1, 2, 3, 4, 5 and 6, cut all aspen and mixed hardwood trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability. Cut all spruce and balsam with a stump diameter of six inches or more. In payment unit 3, cut all oak except those trees within the green painted oak retention areas. Do not cut any oak outside unit 3, red or white pine, cedar, or hemlock.

3 - Payments

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

4 - Transportation

4.1 - Construction

4.1.3 - Slash and earthen piles (8/04)

Piles or windrows of earth along roads and landings that have been widened or constructed shall be leveled. Slash from road maintenance or construction, including stumps, shall be moved at least 10 feet back from edge of road. Stumps shall be set upright.

4.1.4 - Timber removed for construction (12/09)

Trees cut or damaged in the process of pre-approved road, landing or skid trail construction will be decked in an area separate from other designated timber and not removed until measured by the sale administrator. Payment will be made at the specified Purchase Unit Price.

4.1.6 - Road construction (1/09)

If a new road is constructed to access sale in winter, it 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. Some existing roads may also need to be closed, see the timber sale map for locations. 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

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.

4.4 - Access

4.4.1 - Private property access (12/08)

Permission for access across private land is the responsibility of the purchaser. Permission to cross private land must include access for DNR representatives to inspect the sale at any time.

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. If the Purchaser pulls out of the sale, the Unit manager or his representative must be notified before moving back into the sale. 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 blue and red paint line.

5.2.1.8 - Slash height (12/08)

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

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area shall be left with slash evenly distributed. Bunched tops within the cutting area shall be broken up and scattered. Stumps shall be cut low to the ground. Processing sites shall not be left with a compacted layer of slash; tops from these sites shall be hauled back into the cut area and scattered.

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 (6/10)

Within Payment Unit(s) 1, 2, 3, 4, 5 and 6, 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.

5.2.32 - 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.

5.2.41 - Snowmobile trail protection (8/09)

The Iron County Recreation Trail is a snowmobile trail and 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. 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.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

7 - Other Conditions

7.2 - Extensions

7.2.1 - One year extension (2/04)

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

Section Name: Sale Specific Current as of 3/15/2011 11:59:46AM

Michigan Department of Natural Resources - Forest Management

TIMBER SALE MAP

SALE NUMBER 120661001

YEAR 2010

OF

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

FOREST MANAGEMENT UNIT: CRYSTAL FALLS

COUNTY **IRON**

SCOTT SEBERO MAPPED BY CRUISED BY SCOTT SEBERO

PAGE DATE 07/08/2010

TOWNSHIP 42N

RANGE 32W

SECTION(S) AND SUBDIVISION(S)

P = Lowland Poplar

17 SWSE, SESW

Scale: |.....4 inches......| = 1 mile

20 S1/2NE, SE1/4, E1/2SW, E1/2NW, NWNW

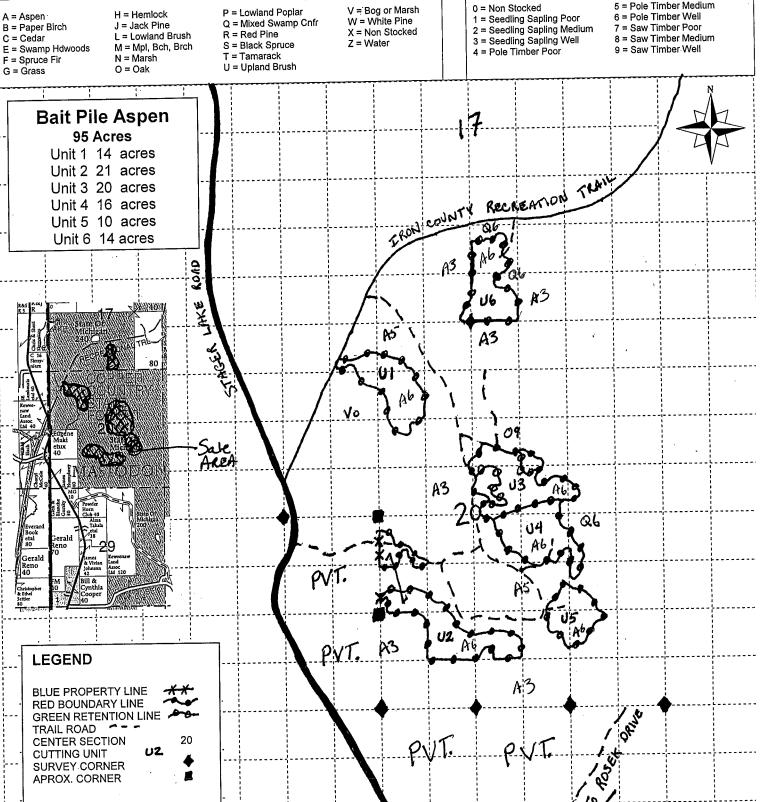
Cover Type

Density

0 = Non Stocked

H = Hemlock

5 = Pole Timber Medium 6 = Pole Timber Well



TIMBER SALE INFORMATION

FORD RIVER ASPEN (12-072-10-01)

T43N, R29W, SEC.16; T43N, R29W, SEC.17; T43N, R29W, SEC.20; T43N, R29W, SEC.21.

SALE NOTE: A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions. Access may be through private or state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES ESTIMATED VOLUME* ADVERTISED PRICE

Pulpwood

Mixed Aspen 2,134.00 Cords \$ 21.35/Cord

*The volumes are statistically estimated within plus (+) or minus (-) 14.47 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 **\$2,278.00** to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	19%
02	16%
03	13%
04	12%
05	21%
06	19%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/31/2012.

Sale Specific Conditions & Requirements

Sale Name: Ford River Aspen Sale Number: 12-072-10-01

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 green 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 green paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1 - 6, cut all aspen trees that are 2 inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability. Do not cut mixed hardwoods, white birch, conifers, or oak.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 6 inches for trees under 10" dbh.

4 - Transportation

4.1 - Construction

4.1.12 - No new roads (6/10)

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 (12/08)

Hauling may be restricted on forest roads by the Unit Manager or his/her representative. The restriction may occur during prolonged 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.

4.4 - Access

4.4.1 - Private property access (12/08)

Permission for access across private land (Keweenaw Land Company) has been obtained by the DNR. It is the purchaser's responsibility to obtain any necessary road use permits from Keewenaw Land and incur the costs of the permit. There is an expected \$150.00 nonrefundable adminstration fee and a \$500.00 refundable bond.

5 - Operations

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.1 - Slash within sale area (2/04)

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

5.2.1.8 - Slash height (12/08)

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

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area shall be left with slash evenly distributed. Bunched tops within the cutting area shall be broken up and scattered. Stumps shall be cut low to the ground. Processing sites shall not be left with a compacted layer of slash; tops from these sites shall be hauled back into the cut area and scattered.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

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

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 1 - 6, unless changed by written agreement, cutting, skidding, and hauling are not permitted from March 1 - May 31. This restriction is to avoid spring breakup season.

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 (8/09)

The power line is a snowmobile trail as 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. If hauling is done from December 1 - March 15 logging warning signs must be placed where the powerline/trail crosses the road in two locations.

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

5.8.5 - Protection of raptor nests (4/09)

All trees with raptor nests will be protected if found during harvesting operations. Notification will be made to the Unit Manager or his/her representative who will notify the Wildlife Biologist so an on-site evaluation and recommendation can be made, if necessary.

Section Name: Sale Specific Current as of 3/15/2011 12:58:18PM



Michigan Department of Natural Resources - Forest, Mineral & Fire Management

TIMBER SALE MAP

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

Sale Number 012-072-10-01

2010

Year

Forest Management Unit County Mapped By Rice Date Page of Crystal Falls Dickinson Cruised By Rice 07/30/10 1 1

Township Range Section(s) and Subdivision(s) sec 16 S1/2SW sec 17 S1/2SE Scale: |...4"....| = 1 mile

Cover Type Density G = Grass U = Upland Brush A = Aspen O = Oak 0 = Non Stocked 5 = Pole Timber Medium P = Lowland Poplar
Q = Mixed Swamp Cnfr B = Paper Birch H = Hemlock V = Bog or Marsh 1 = Seedling Sapling Poor 6 = Pole Timber Well C = Cedar J = Jack Pine 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 Ford River Aspen unit 1 19 ac. unit 4 12 ac. unit 2 21 ac. unit 5 22 ac. unit 3 16 ac. unit 6 23 ac. Total 113 acres PVT 8M Mb Keewenaw Land ASSOC Blue MG ۱۱ 85 11 Aurmmu Blue 11 // Mb 1 PVT Improved Gravel Road ≒== Woods Road Timber Sale Boundary Payment Unit Number ×××× Payment Unit Line Survey Corner Building - Power Line

TIMBER SALE INFORMATION

BROWNS GATE SALE (12-076-10-01)

T42N, R27W, SEC.11; T42N, R27W, SEC.12; T42N, R27W, SEC.13; T42N, R27W, SEC.14.

SALE NOTE: No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through private land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	ESTIMATED VOLUME*	<u>ADV</u>	ERTISED PRICE
Pulpwood			
Mixed Hardwood	1,549.00 Cords	\$	21.70/Cord
Mixed Softwood	417.00 Cords	\$	22.50/Cord
Q. Aspen	756.00 Cords	\$	18.80/Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$8,941.80:

ESTIMATED VOLUME*	AD\	VERTISED PRICE
31.40 MBF	\$	127.00/MBF
0.90 MBF	\$	178.00/MBF
16.10 MBF	\$	242.00/MBF
136.00 Cords	\$	6.60/Cord
	31.40 MBF 0.90 MBF 16.10 MBF	31.40 MBF \$ 0.90 MBF \$ 16.10 MBF \$

^{*}The volumes are statistically estimated within plus (+) or minus (-) 8.44 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 \$3,500.00 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 must be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

, ,	0 0
PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	8%
02	4%
03	20%
04	31%
05	37%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/31/2013.

Sale Specific Conditions & Requirements

Sale Name: Browns Gate Sale Sale Number: 12-076-10-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

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

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 5, 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 hemlock, cedar, cherry, elm and red and white pine. Also do not cut spruce and balsam that is 6 inches or less in diameter at 4 inches above the stump.

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

Within Payment Unit(s) 1, 2, 3 and 4, 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.

2.3 - Log Rule

2.3.1 - Log rule (12/08)

All board foot volumes of sawlog size products in this contract have been determined by the International ¼ Inch Log Rule.

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 10 % 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 \$10 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, or at a rate of \$25 per sawtimber tree and \$10 per pole sized tree, whichever is greater.

4 - Transportation

4.1 - Construction

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. 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.

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.

4.4 - Access

4.4.1 - Private property access (8/10)

Permission for access across private land is the responsibility of the purchaser. Access across the private has been discussed with the landowners by the DNRE but the purchaser will need to work directly with the landowners.

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.

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 blue paint line.

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area shall be left with slash evenly distributed. Bunched tops within the cutting area shall be broken up and scattered. Stumps shall be cut low to the ground. Processing sites shall not be left with a compacted layer of slash; tops from these sites shall be hauled back into the cut area and scattered.

5.2.1.14 - Chipping of slash (10/08)

If tops are chipped, they must be skidded to the landing separately from the bole section of the tree. Skidding of tops must be done in such a way as to minimize damage to the residual trees.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

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

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 1, 2, 3, and 4, unless changed by written agreement, cutting, skidding, and hauling are limited to the period between July 15 to March 15th, or earlier if spring break up comes earlier. This restriction is because of bark

slippage. Keep in mind that because private land is the only access at this time, private landowners may limit road use to certain periods of time and it is up to the purchaser to work with landowners so as to leave the road with little to no impact.

Unit 5 MUST be cut during frozen ground conditions.

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, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

7 - Other Conditions

7.2 - Extensions

7.2.1 - One year extension (2/04)

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

Section Name: Sale Specific Current as of 3/15/2011 3:44:09PM

who high in Department of Natural Resources - Forest Management

TIMBER SALE MAP

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

OUTE MOMBEL

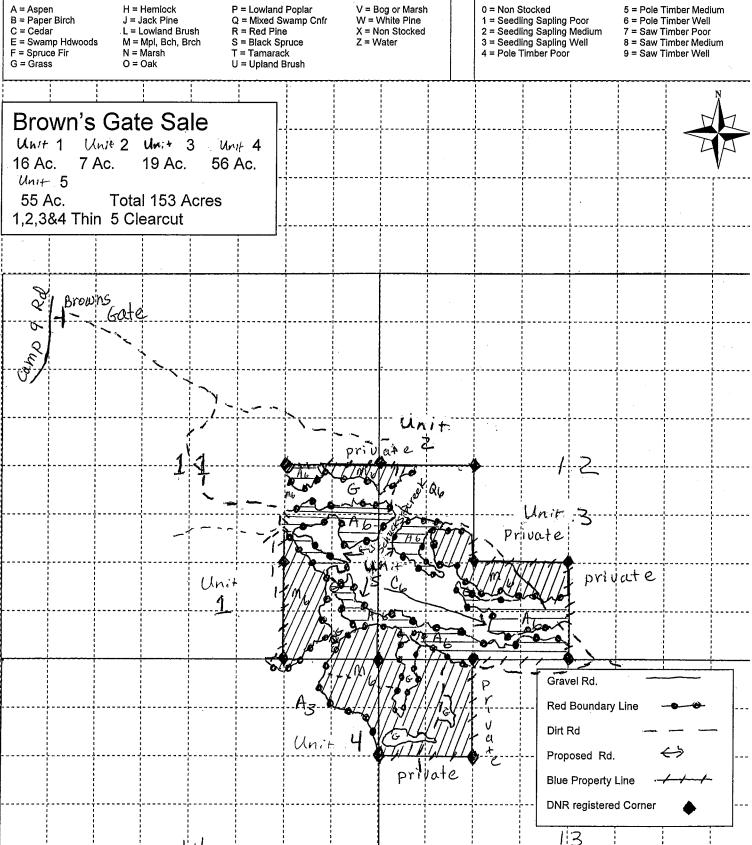
12-076-10-01

10

FOREST MANAGEMENT UNIT: MAPPED BY Linda Lindberg COUNTY PAGE DATE OF Crystal Falls Dickinson 8/20/2010 CRUISED BY Lydon and Lindberg

TOWNSHIP SECTION(S) AND SUBDIVISION(S) Range Scale: |.....4 inches......| = 1 mile 27W 11, E1/2SE,12, W1/2SW, SESW 13, NWNW 14, N1/2NE 42N

Cov	er Type		D	ensity	
H = Hemlock J = Jack Pine L = Lowland Brush M = Mpl, Bch, Brch N = Marsh	P = Lowland Poplar Q = Mixed Swamp Cnfr R = Red Pine S = Black Spruce T = Tamarack	V = Bog or Marsh W = White Pine X = Non Stocked Z = Water	0 = Non Stocked 1 = Seedling Sapling Poor 2 = Seedling Sapling Medium 3 = Seedling Sapling Well 4 = Pole Timber Poor	5 = Pole Timber Medium 6 = Pole Timber Well 7 = Saw Timber Poor 8 = Saw Timber Medium 9 = Saw Timber Well	



TIMBER SALE / SEALED BID STATE OF MICHIGAN / DNRE

PRODUCTS & SPECIES

Phone number :_____

BID FORM

CRYSTAL FALLS MANAGEMENT UNIT **CRYSTAL FALLS OFFICE**

upon

BID PRICE

BAIT PILE ASPEN (12-066-10-01) T42N, R32W, SEC.17; T42N, R32W, SEC.20; IRON COUNTY

ADVERTISED PRICE

In response to the notice of sale to be held 3:00PM on April 20, 2011, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

ESTIMATED VOLUME*

Pulpwood							
Mixed Aspen	2,350.00	Cords	\$	24.30 / Cord	\$	/ Cord	
Mixed Hardwood	338.00	Cords	\$	24.90 / Cord	\$	/ Cord	
In addition, the successful bidder	agrees to purchase	the following	species at th	e indicated advertise	ed price for a to	otal value of \$1,039.35	
PRODUCTS & SPECIES	ESTIMATED	VOLUME*	AD\	/ERTISED PRICE			
Pulpwood Mixed Softwood	20.00	Cords	•	26 65 10 and			
Mixed Softwood	39.00	Corus	\$	26.65 / Cord			
*The volumes are statistically est adjustment. Prospective bidders			-				
I understand that any or all bids r understand that consideration an equipment and staffing subject to	d awarding a contrac		•			•	
FEDERAL ID:		or SOCIAL S	ECURITY N	JMBER:			
Company or individual	bidding:						
Company representati	ve's name:						
Address:							
City:							
IF AVAILABLE, PLEASE PLACE	THE PERSONALIZI	ED LABEL FF	ROM YOUR I	PROSPECTUS IN T	HE ABOVE BO	DX.	
Individual or company representa	ative's signature:				Date:		

Email (optional):



Title

Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

FOR DEPARTMENT USE ONLY
Sale Number (XX – XXX – XX – XX)
Forest Management Unit:

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 A. Sole Proprietorship (individual) Partnership Corporation 	pelow):
2		
2.	 You must check one of the boxes below: A. I certify that my business is a sole proprietorship and it has no Worker's Compensation Laws. 	employees but the sole proprietor. I am not subject to the
	B. I certify that my business has satisfied its obligation to the W Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a coaward. (For questions or a copy of the BWC-337, please call the same of the BWC-337.	by of the Notice of Exclusion within 21 days of the contract
	C. I certify that my business has a Worker's Compensation Policy days of the contract award.	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 number than yourself, including family members and active partners (if not than yourself). 	
	Full-time Employees	Part-time Employees
Vam	Name of Business Federal	ID (or) Social Security No.
Addr	Address Telepho (ne)
City	City State ZIP	
	hereby certify that the above information is true and correct. I agre occur in factors affecting my coverage during any of my present and	
S	Signature of Owner or Authorized Representative	-

Date

PRODUCTS & SPECIES

Mixed Aspen

Pulpwood

BID FORM

CRYSTAL FALLS MANAGEMENT UNIT **CRYSTAL FALLS OFFICE**

upon

BID PRICE

\$_____ / Cord

FORD RIVER ASPEN (12-072-10-01)

T43N, R29W, SEC.16; T43N, R29W, SEC.17; T43N, R29W, SEC.20; T43N, R29W, SEC.21; DICKINSON COUNTY

ADVERTISED PRICE

21.35 / Cord

In response to the notice of sale to be held 3:00PM on April 20, 2011, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

ESTIMATED VOLUME*

2,134.00 Cords

*The volumes are statistically estimated within plus (+) adjustment. Prospective bidders are urged to examine	•	•
I understand that any or all bids may be rejected. All bi understand that consideration and awarding a contract equipment and staffing subject to my control.		
FEDERAL ID: o Company or individual bidding: Company representative's name: Address: City: State:		- - -
IF AVAILABLE, PLEASE PLACE THE PERSONALIZE Individual or company representative's signature:	LABEL FROM YOUR PROSPECTUS IN	THE ABOVE BOX.
Phone number :	Email (optional):	



Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

FOR DEPARTMENT USE ONLY	
Sale Number (XX – XXX – XX – XX)	
Forest Management Unit:	

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.

days of the contract award.

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 <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. 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

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

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

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	

Part-time Employees

BID FORM

BROWNS GATE SALE (12-076-10-01)

T42N, R27W, SEC.11; T42N, R27W, SEC.12; T42N, R27W, SEC.13; T42N, R27W, SEC.14; DICKINSON COUNTY

In response to the notice of sale to be held 3:00PM on April 20, 2011, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

PRODUCTS & SPECIES	ESTIMATED VOLUME*	ADVERTISED PRICE	BID PRICE
Pulpwood			
Mixed Hardwood	1,549.00 Cords	\$ 21.70 / Cord	\$ / Cord
Mixed Softwood	417.00 Cords	\$ 22.50 / Cord	\$ / Cord
Q. Aspen	756.00 Cords	\$ 18.80 / Cord	\$ / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$8,941.80:

PRODUCTS & SPECIES	ESTIMATED VOLUME*		AD	VERTISED PRICE
Sawlogs				
Basswood	31.40	MBF	\$	127.00 / MBF
Mixed Hardwood	0.90	MBF	\$	178.00 / MBF
Sugar Maple	16.10	MBF	\$	242.00 / MBF
Pulpwood				
Basswood	136.00	Cords	\$	6.60 / Cord

^{*}The volumes are statistically estimated within plus (+) or minus (-) 8.44 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.

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

	FEDERAL ID: or SOCIAL SECURITY NUMBER:				
	Company or individual bidding:			<u></u>	
	Company representative's name:_				П
	Address:				П
	City:	_ State:	Zip:		
IF AVAIL	ABLE, PLEASE PLACE THE PERSO	ONALIZED LABEL FRO	OM YOUR PROSPEC	TUS IN THE ABOVE BOX.	_
Individual	or company representative's signate	ure:		Date:	
Phone number : Email (optional):					



Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

FOR DEPARTMENT USE ONLY
Sale Number (XX – XXX – XX – XX)
Forest Management Unit:

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 of Act 451 of 1994, as amended.

Signature of Owner or Authorized Representative

Title

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 <u>one</u> of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation 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.

Date